

# Lithuania

## *The Rebirth of a Nation, 1991-1994*

Alexandra Ashbourne



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# Introduction

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*Lithuania, our motherland, From the past may your sons  
Draw their strength . . . May they work for your good  
And the good of your people.  
V. Kudirka, Lietuvos Hymnos*

Lithuania is in a unique position. Unlike the other two Baltic States of Estonia and Latvia, which have only known independence in the twentieth century, Lithuania has twice lost and regained its independence. In the fourteenth and fifteenth centuries, Lithuania had shared with Poland a vast empire, stretching from the Baltic to the Black Sea. This empire, however, collapsed during the seventeenth century as the Russian and Prussian states expanded. Despite its fall, the Grand Duchy remained of great inspirational value to the people of Lithuania, as it provided a basis for the demands for independence made at the start of the twentieth century. Independence was finally achieved in 1918 but was then lost again in 1940. An independent Lithuania was only reborn 50 years later.

To analyse the situation in modern Lithuania, the integral components in the rebirth of any state have been studied: the establishment of domestic, foreign, security and economic policies. These components are also essential when examining the actual birth of a new state, but for a rebirth these policies are influenced by historical precedents, for example in the implementation of foreign policy. The current situation in Lithuania is echoed in the majority of the former Soviet republics and states which fell into the Soviet sphere of influence after 1945, which share similar problems in creating (or recreating) independent government structures.

In the course of research, the existence in Lithuania of the legacy of the Soviet occupation became increasingly apparent. The rebuilding of domestic political life, the creation of a new foreign policy and the regeneration of the economy in particular appear to have been significantly influenced by this. Antanas Smetona,



grandson of the last pre-war President of Lithuania, has also become aware of this after visits to Lithuania: “there are now totally different attitudes [compared to inter-war Lithuania]...the habits of the Soviet times have eaten deeply into one’s blood.”<sup>1</sup> This book, therefore, highlights the impact of the legacy of the Soviet occupation on the re-emerging Lithuanian state.

Lithuania, however, is not alone in this respect. The burden of the legacy of occupation is one shared by its former Soviet counterparts. A preliminary evaluation of the effects of its existence lays the foundations for further research in this field, as insufficient time has elapsed for a full investigation to be undertaken. It would, however, have been a significant error of judgement to ignore the impact of this phenomenon merely because of a lack of time having passed.

No study of modern Lithuania, however, should be undertaken without a solid understanding of Lithuania’s history, as it is that history which has so influenced recent events. Therefore, while 1991-1994 is the main period of focus, as those years covered an equal period of the first two post-Soviet governments, the first chapter is an encapsulation of Lithuania’s past. In contrast, it is inevitable that later chapters highlight the contemporary nature of this book by the inclusion of developments which occurred after 1994.

Chapters 2-5 deal with the physical components of rebirth. The chapter on Lithuania’s domestic politics is subtitled “The Pitfalls of Incumbency,”<sup>2</sup> a phrase which characterises the shifting fortunes of Lithuania’s political elite in the first years of independence. This chapter in particular extends forward to 1996 to draw comparisons between the differing governing parties from 1991. The chapter on foreign policy examines the practicalities of re-establishing such a policy and re-integrating into the international community. It illustrates the challenges which faced the Lithuanians in areas such as selecting personnel to staff the reconstructed Ministry of Foreign Affairs and the complications inherent in reopening Embassies and rebuilding international relations after a fifty- year period of political isolation.

Security is closely linked with Lithuania’s foreign policy. Chapter 4, therefore, concentrates on Lithuania’s struggle to achieve a formal guarantee of its defence from Western security structures and how Lithuania reconstructed its armed services after the withdrawal of Soviet troops from its territory in 1993. Potential threats to Lithuania are also identified and discussed.

The chapter devoted to the reconstruction of Lithuania’s economy is undertaken from an historical perspective. Lithuania’s success in achieving the transition to a market economy is examined, including the reintroduction of Lithuania’s own currency and the process of privatisation. The legacy of Soviet rule is again highlighted as the concept of land reform is investigated. Failure to achieve a successful policy of land reform has influenced so many aspects of Lithuania’s regeneration, not least in the economic, domestic political and foreign policy sectors.

All of the chapters have lengthy endnotes. Contained in these notes are often detailed statistics tables and specific case studies. To clarify them, separate



appendices have been created. Appendix 1 contains the individual case studies and Appendix 2 the data and statistics.

The bibliography is subdivided into a number of different categories: Speeches and Constitutional Documents, which were so important in the construction of this book, secondary sources, reference works, newspapers, periodicals and television documentaries. Certain background works, for example those on nationalism by Hans Kohn and Eugene Kamenka, were invaluable as a study of the rebirth of the Lithuanian nation could not have been undertaken without a grounding in the concepts of nationalism. Of the reference works in English, the most useful were the two volumes of *Jane's Sentinel* edited by Paul Beaver and Felix Corley.

Reflecting the contemporary nature of this book, the bibliography was less essential than the oral sources to whom I had access. A list of my oral sources, therefore, follows the bibliography. Interviews were conducted either in person, over the telephone, or by e-mail, facsimile or letter. They occurred either in formal settings or on a more casual basis. Those who contributed to this book are listed, accompanied by short biographical detail: some of my sources are widely known figures, others are known only to a few. If particular sources had to be selected for their supreme usefulness, it would have to be Vice Foreign Minister Rokas Bernotas, who of all the Lithuanians with whom I worked in Lithuania, has the best understanding of the issues facing the reborn nation. Outside Lithuania, Jonė Brazauskaite duplicates that understanding and, with the benefit of a western mentality, offers sound analysis of the progress of national rebirth. I spent a period of time in Lithuania interviewing my sources in person in 1994, but an accident prevented my returning again before this book could be completed. Therefore it was the telephone interviews which proved extremely valuable.

While great attention has been devoted to the restitution of Lithuania's independence,<sup>3</sup> little academic work has yet been undertaken on Lithuania's more recent history. It is an imbalance which this book begins to redress. Despite Lithuania's unique historical position compared to the other Baltic States and the states of central and eastern Europe, there are some common experiences, especially regarding the omnipresent legacy of the Soviet occupation but also in the area of ensuring security, which unite them all. Therefore a study of any central or eastern European state can benefit from a knowledge of events in Lithuania.

Although, like the former Czechoslovakia, Lithuania had always been for many people a "far away country,"<sup>4</sup> the events of 1989-1991 captured the imagination of the western public. Now that the goal of independence has been achieved, Lithuania does not deserve to slip out of the public eye, not least because in a post-Soviet era the Baltic region provides, according to former Swedish Prime Minister Carl Bildt, "the critical test of the relationship between Russia and the West."<sup>5</sup> This relationship has dominated twentieth-century history and, by virtue of its size and geographical position, the maintenance of Lithuania's independence and its evolution as an independent state will be determined solely by its nature and progression. The Soviet occupation of Lithuania has left deep mental and physical scars on both

country and nation which will take many years to heal. It is this legacy which has overshadowed all of the processes encompassing Lithuania's rebirth and it will continue to do so for the foreseeable future.

## Notes

1. Interview with Antanas Smetona, *Lietuvos Aidas*, 15 March 1997.
2. M. Kaminski in *The Financial Times*, 18 October 1996.
3. For example the work of Erich Senn, such as *Lithuania Awakening*, University of California Press: 1990.
4. Prime Minister Neville Chamberlain, in a radio broadcast, 27 September 1938.
5. Bildt, Carl. "The Baltic Litmus Test" in *Foreign Affairs* Vol. 73, No. 5, 1994.



# Chapter 1

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## History

### Part I

“The coloured garment of the world changes, the Weak rise and the Strong fall.”  
Jonas Maironis (1862-1932), *Pavasario Balsai*<sup>1</sup>

On March 11, 1990, in the wake of the collapse of Communism across Eastern Europe, the Lithuanian Supreme Soviet declared the restitution of Lithuania's independence, which had been unwillingly surrendered in 1940. On September 17, 1991, Lithuania accepted its seat at the United Nations, the ultimate indication of international recognition of an independent state. The years that followed were to prove challenging for the Lithuanians as they set about reconstructing the infrastructure of their state and re-emerging into the international community: a community to which access had been denied for fifty years.

Yet Lithuania had not always been merely a diminutive corner of the colossal Russian or Soviet empire and therefore any study of the first years of independence in the 1990s must take into account Lithuania's lengthy history in order that one may understand the origins of so many of the attitudes that were to influence Lithuania's development post-1991. In particular, the rationale behind the February 16, 1918, Declaration of Independence needs to be examined. A number of similarities exist between the prelude to independence in 1918 and the prelude to independence in 1990, especially regarding the attitude of the Lithuanian people and their determination to win their liberty. On gaining independence in both 1918 and 1990, Lithuanians were to face similar hurdles as the process of reconstruction began.

According to the German Quendlinburg yearbooks,<sup>2</sup> from AD 1009, Lithuanians

were recognised as a distinct ethnic group among the Baltic peoples and resided in an area roughly conforming to modern Lithuania's borders, lying on the South-eastern shore of the Baltic Sea in the territory of the Nemunas delta and along the Nemunas and Neris rivers.

In the 1230s and the 1240s, Duke Mindaugas united lands occupied by Lithuanians into the Grand Duchy of Lithuania. In 1251 he adopted Christianity and in 1253 was crowned king, although he was murdered in 1261 by Treniota, a member of the neighbouring Samogitian tribe. The formation of the Grand Duchy was an attempted defence against the Teutonic Knights who, under the auspices of spreading Christianity, attempted to conquer Lithuania during this period. Despite Lithuanian victories at Siauliai in 1236 and Durbe in 1260, the Teutons were to finally retreat only after the 1410 Battle of Zalgiris, when a united Polish-Lithuanian army under the command of the Lithuanian Grand Dukes Jogaila and Vytautas temporarily halted the Germans' *Drang nach Osten*.<sup>3</sup>

An attempt to force all Lithuanians to adopt Christianity and thus end the feeling of isolationism from the Christian states of Europe had been made by Grand Duke Gediminas, who reigned from 1316-1341, but popular belief in pagan gods (a belief which still exists in a very limited form in the twentieth century<sup>4</sup>) remained too strong for this to occur until 1387. The Dynasty founded by Grand Duke Gediminas was to survive until 1572 and this period saw an unprecedented expansion of Lithuanian territory.

In 1386 Lithuania united with Poland when Jogaila, grand duke of Lithuania, married the Polish Queen Jadvyga. The reign of his successor, Grand Duke Vytautas, from 1392-1430, saw Lithuania develop into one of the most powerful states in Europe, with territory extending as far as the Black Sea. But this was only to last until the Russian State expanded in the sixteenth and seventeenth centuries, when the Lithuanians were forced to retreat to within the ethnographic boundaries of their homeland.

The Union of Lublin of 1569 united Poland and Lithuania in an official Commonwealth in an attempt to provide a credible defence against the expanding Russian state. In this Commonwealth, the highest elected body was the *Seim*, composed of the nobility, who in turn elected a king, who was also grand duke of Lithuania. During the sixteenth century, Lithuania underwent agricultural reform, economic growth and was affected by humanism and the spread of the Reformation. But by the end of the eighteenth century, this Commonwealth had been divided by the far stronger states of Prussia, Russia and Austria, with most of Lithuania being incorporated into the Russian empire.<sup>5</sup>

Attempts were made to regain independence in 1795, 1830-31 and 1863, but these were suppressed and resulted in the implementation of an intensive policy of repression and russification. This policy included the strengthening of a police regime, the closing of Vilnius University, which had been founded in 1570, in 1832 and the banning of books printed in the traditional Latin script in 1864. The Lithuanians were, however, to benefit from Alexander II's serf emancipation policy



of 1861. A market economy gradually developed in the state and, with the growth of an urban population and the spread of literacy, it contributed to the increasing number of intellectuals who were from peasant origins. This in turn led to the rise of a formal Lithuanian national movement led at the end of the nineteenth century by Jonas Basanavičius, commonly referred to as the “Father of the Lithuanian People”.<sup>6</sup> One of the movement’s main activities during this period of russification was the organisation of the printing of books and newspapers in Lithuanian, which was undertaken in the German-governed Lithuania Minor and then smuggled into Lithuania by Vincas Bielskus, among others<sup>7</sup>.

From 1905, following the Revolution in Russia, the nationalist movement grew from strength to strength, with demands firstly for regional autonomy and then later for independence being publicly stated. Lithuanians were particularly receptive to the revolutionary literature and propaganda being circulated by Russian activists, partly because of the exceptionally high literacy rate in Lithuania (52 percent of the Lithuanian population, as opposed to only 29 percent of Russians).<sup>8</sup> In the face of growing nationalist sentiments and fearing a further revolution, the Russian authorities stationed in Lithuania abandoned their positions and fled the Lithuanian territory, allowing the Lithuanians to gain control of local administration and schools.

In accordance with this new tide of independence and increasing nationalism, a group of Lithuanian intellectuals gathered in Vilnius in October 1905 and drafted a memorandum to the Russian minister, Sergei Witte. This demanded far-reaching autonomy, equal rights for all aliens within Russia, (an innovative method of enlisting support for the Lithuanian cause from other non-Russians whose territory had also been incorporated into the Russian empire), recognition of Lithuanian as the official language in Lithuania, the construction of Lithuanian schools, freedom of worship and the attachment of the Suvalki region to the Lithuanian territory. (Previously, it had been under Polish administration.) Many of the demands made within this memorandum were to be echoed in the late 1980s when the Sajūdis movement announced its demands for regional autonomy. With its anti-Polish sentiment, this memorandum received a surprisingly favourable reception in Russia and was even published in the Russian government journal *Pravitelstvennyi Vvestnik*.

In an attempt to harness the outbreak of patriotic fervour which increased following the publication of the Vilnius Memorandum and to demonstrate to the St. Petersburg authorities that it was not merely a few nationalistic fanatics who had been responsible for its drafting, Lithuania's peasant union leader, J. Gabrys, together with Dr. Basanavičius, decided to convene the First Vilnius Conference, which met on 4 December 1904. The Conference attracted 2,000 delegates, representing all sectors of Lithuanian society: members were from every class and every profession, as every government district and commune had sent at least one representative. There were also representatives from clubs and societies and from Lithuanians abroad.



The conference adopted a three-point "Historic Resolution" which supported the revolutionaries in Russia, demanded autonomy and advocated the use of Lithuanian as the national language.<sup>9</sup> The cries for autonomy expressed in the Historic Resolution were reflective not only of the Lithuanians, but also of other nationalities contained within the boundaries of the Russian empire, including Poles, Ukrainians, Georgians, Estonians, Finns, Livonians and Tartars. The influence of the 1905 Revolution had not been confined merely to the urban centres of Moscow and St. Petersburg, but was also apparent in the urban areas of the other nationalities incorporated into the empire. It was felt that if all the individual nationalities united in their demands for regional autonomy, it might be more effective than single nationalities petitioning the Czar, especially because of the small size of some of the national groups in comparison to the size of the indigenous Russian population.

Lithuanian demands were not, in 1905, for complete independence. Instead, great emphasis was placed on the acquisition of autonomy within Lithuania's distinct ethnographic boundaries. This was far more possible than in other areas of the Russian empire because of the homogenous nature of the Lithuanian population. Vilnius was declared to be the capital of the autonomous province, which was to lead to tensions in 1918 following the attainment of independence, when Poland, which had been granted independence in 1917, subsequently laid claim to and managed to gain Vilnius and the surrounding territory. Also demanded in the Historic Resolution was universal suffrage, which was an advanced idea in comparison to many west European states at the time. The Lithuanian leaders also advocated passive resistance in the face of Russian reaction to the Historic Resolution: a tactic which was to be repeated in the majority of Lithuanian demonstrations against Russian and, in later years, Soviet regimes.

The emphasis on the third clause of the Resolution on the use of Lithuanian as the official language was a direct reaction to the period of russification which had dominated the latter half of the nineteenth century. The imposition of Russian as the official language during that time had been greatly resented by most Lithuanians, especially as Russian bears no resemblance to Lithuanian, an Indo-European language whose closest link lies with the ancient Sanskrit. This anti-Russian sentiment was also re-asserted in the emphasis on Lithuanian culture within the education system, which was to be taught by teachers appointed on the basis of merit as opposed to being appointed by the State.

The Historic Resolution was an unambiguous demand for autonomy and a boost for the development of Lithuanian culture, which flourished after 1905. Most important, however, the Resolution emphasised the unique nature of the Lithuanian population: its ethnic homogeneity, which was to resurface in the post-World War II years as one of the many reasons for arguing for independence from the USSR.

The Russian reaction to the Vilnius Conference, however, was not at first as punitive as had been feared. In fact a key Czarist official, the governor of Kaunas, publicly acknowledged the justification of the Lithuanian demands, endorsing the



need for reform. He urged the Lithuanians to make use of the newly convened Duma in St. Petersburg to obtain their requests. In Vilnius, the governor general of Vilnius, Kaunas and Grodno, General Freze, granted the use of the mother tongue in schools. This spirit of tolerance was not to last, however, and simultaneously with the imposition of restrictions on the Duma in Russia, Stolypin, the Czar's chief minister, launched a renewed assault on the Lithuanians and other non-Russians. But by this stage, it was too late: the only effect renewed repression had on the people of Lithuania was to strengthen their resolve to demand independence and to intensify their feeling of patriotism towards their motherland of Lithuania and their hostility towards the St. Petersburg regime.<sup>10</sup>

With the outbreak of World War I in 1914 and the disastrous performance of the highly over-rated Russian military machine, which suffered a series of unprecedented defeats at the hands of the German army, the Lithuanians realised that there was likely to be a real possibility of achieving not only autonomy but perhaps even independence. Unfortunately Lithuania was to provide a battleground for much of the heavy fighting between the Russians and the Germans, including the Battle of Tannenberg, and by March of 1915 had been occupied by Germany. During the course of the war, Lithuania became fully integrated into the German economic area and had been completely divorced from its Russian master. Under a single administrative unit, *Das Land des Oberbefehlshabers Ost* or *Land Oberost* as it was commonly referred to, the economic, judicial and education systems were completely re-organised along German lines, as were communications and the health service. An indigenous labour force was conscripted by the German occupiers to ensure that the Germans had adequate supplies of food, timber and horses.<sup>11</sup>

In charge of the *Land Oberost* was Major General M. Hoffmann, chief of staff to the commander in chief of the Eastern Front. The occupation of Lithuania was not instantaneous and it was Hoffmann's responsibility to incorporate each territory, as it was seized, into the administration of the *Land Oberost*. The incorporation of Lithuania during World War I was seen as being the start of a permanent situation.<sup>12</sup> Lithuania had an historical relationship with Germany dating back to the Teutonic invasion of Lithuania, and in more recent times the port of Klaipeda/Memel had been a Hanseatic League Port. In any case, Lithuanians traditionally looked West for their culture and trade, having no cultural affinity with their dominant Slav neighbour, Russia. Many Lithuanians actually perceived the German occupation as being infinitely preferable to occupation by Russia and hoped that the German occupation was merely a prelude to gaining autonomy or independence. Lithuania Minor, the territory around Klaipeda, had fallen under the East Prussian administration by the end of the eighteenth century and it was hoped by the inhabitants of Lithuania Major that the two Lithuanias might be reunited after the war.

In reality, however, the German occupation was to prove to be a real burden on the Lithuanian people. "For one hundred years the people will not forget what they



had to suffer from the Germans!” exclaimed J. Statauskas, in August 1917.<sup>13</sup> The activities of the *Land Oberost* have been described as being an “intensely purposeful striving to destroy the local economy as quickly as possible . . . to suppress and terrorise the population.”<sup>14</sup> In an attempt to bleed the country white, the Germans felled forests and inaugurated a policy of requisitioning, especially for food and horses. The damage done to Lithuania proved to be especially severe.

In the course of the occupation, 92,000 out of Lithuania’s 214,000 farms were destroyed; 63,000 hectares of forests were also destroyed; 150,000 hectares of land were damaged in some form; 42,000 buildings were razed and 90,000 horses, 140,000 head of cattle and 767,000 sheep were requisitioned by the German occupiers.<sup>15</sup> Heavy industry was also affected by the occupation: 235 mills in Vilnius, 144 mills in Kaunas and a further 87 mills in the Suvalki region were destroyed beyond repair.<sup>16</sup> But the Germans were not solely responsible for destroying the Lithuanian economy and infrastructure: the Russians were also guilty. “Strategical considerations inspired the Russian commanders with the truly brilliant idea of destroying everything they could not carry with them in their retreat . . . and evacuating all men of military age into the interior.”<sup>17</sup> In other words, the Russians implemented a scorched earth policy, a tactic which was to be repeated during their retreat against the advancing Nazi German forces during World War II, to the great detriment of Lithuania, which once again would be trampled by marauding armies.

The long-term policy of the occupying German *Land Oberost*, however, was to by some means unite all of Lithuania, not just the Prussian-governed Lithuania Minor, with Germany. Therefore the German authorities began to influence Lithuanian nationalist movements by encouraging them to support German interests. This was mostly done by infiltrating the media, both inside Lithuania and abroad, a concept which was repeated in the struggle for independence in the late 1980s and 1990s.<sup>18</sup> A further attempt to encourage pro-German sentiment was made by the *Land Oberost* administration by fostering anti-Polish beliefs and ideas, which were to find receptive audiences given the historic antipathy toward the Poles on the part of so many Lithuanians which dated back to the 1386 Union of the two states.

Concurrent with the Lithuanian drive for independence, the Poles had also been demanding self-determination, and what was to be termed the Polish Question had been brought to the forefront of Russian affairs. Shortly after the outbreak of World War I, on 14 August 1914, Grand Duke Nicholas Nicolaevich, the commander-in-chief of the Russian forces, had issued an appeal which promised to unite the Polish nation “under the sceptre of the Russian Emperor” and to create a Poland which enjoyed “freedom of religion, language and autonomy.” He expressed the hope that the Poles would fight in the war on the side of the Russians against the Germans with great effectiveness: “The sword which struck down the foe at Grünwald has not rusted.”<sup>19</sup> Despite these patriotic words, the Poles, like the Russians, were unable to defend themselves against the German army and by November 1916



Poland was completely occupied by German and Austrian forces.

A Russian-Polish Commission was established to debate the process by which Poland could be given autonomy, but any effects of this were pre-empted by the announcement made on behalf of the Austrian and German emperors on 5 November 1916, proclaiming the creation of an hereditary and constitutional Kingdom of Poland. This manifesto had far-reaching repercussions, even though it was merely a statement of intent, as opposed to an official act establishing the new state. It attracted immediate enthusiasm from many Poles, who were inspired by the suggestions of the rebirth of an officially recognised state, although this enthusiasm was to wane within a few days of the proclamation as the belief that the Austrians and Germans wanted the Poles purely for cannon-fodder against the Russians began to circulate.

In response to the Austro-German manifesto, Stürmer retaliated on behalf of the Czar by declaring that an autonomous Poland located within ethnographic borders would be free and remain in indivisible union with Russia, which was perceived by some Poles as being preferable to being a German pawn. This sentiment was echoed in Czar Nicholas II's Christmas Day Speech of 1916, in which he announced that Russian war aims included "the creation of a free Poland composed of all three now-divided parts."<sup>20</sup> He envisaged a Poland with its own parliament, government and army. This official position, though not echoed in private at the Imperial Court in St. Petersburg, was supported by President Woodrow Wilson of the United States of America on 22 January 1917, when he announced to the Senate in Washington, D.C. that "Statesmen everywhere are agreed that there should be a united, independent and autonomous Poland."<sup>21</sup>

Following the February Revolution of 1917 and the overthrow of Czar Nicholas, Poland was to receive further statements of intent regarding future autonomy and independence from the newly installed provisional government. On 28 March 1917, the Petrograd Soviet "recognised the right of the Poles to national self-determination and to complete independence in international affairs."<sup>22</sup> This was echoed by the provisional government on 30 March in a statement by Prince Lvov: "Poles! The Old Political System in Russia, source of our common bondage and our disunity, is now overthrown for ever. Free Russia . . . hastens to send you its fraternal greeting, she calls you to new life, to freedom . . . the Russian nation, having won its freedom, concedes to its brother Polish nation the full right to determine its own life as it wishes . . . the Provisional Government will assist in the forming of an Independent Polish State, *composed of all territories where the Poles are in a majority* as a pledge of enduring peace in a newly organised Europe."<sup>23</sup> The importance of Lvov's declaration lay in the fact that not only was it a recognition of the full sovereignty of Poland, but that it renounced all Russian claims to territories which were historically Polish. Lvov's declaration received the approval of the French, Italian and British governments.

But before its overthrow, the Czarist government was unwilling to grant Lithuania similar concessions as had been awarded to Poland. Although the



government had allocated financial reserves for the support of the 300,000 Lithuanian refugees who had fled to Russia, no official declaration regarding the political future of Lithuania was issued. Therefore the German authorities staged an elaborate charade to convince the Russians to grant Lithuania autonomy. In 1916 the director of the *Land Oberost* staged negotiations with Lithuanian politicians regarding the establishment of an independent Lithuanian state and requested a delegation of Lithuanians from abroad to attend these discussions. In December 1916, one such representative, from the Swiss Lithuanian Centre, Reverend Antanas Steponaitis, arrived in Lithuania to take part in these discussions, but as soon as he reached Lithuania he realised that they were merely a “comedy.”<sup>24</sup> The Russians also realised the farcical nature of these talks and the Lithuanian Question remained unresolved as the Russian government made clear that an independent Lithuania was not in Russian interests. In 1917, when debating the Polish Question, the Russian minister of foreign affairs, N.N. Pokrovskii, advocated hindering the growth “of the political consciousness of the Lithuanians”<sup>25</sup> as the only method of resolving the situation. But the February Revolution, which was to overthrow the monarchy and install a provisional government in its place, rekindled the hopes of the Lithuanians and the Germans.

The Lithuanians hoped that in accordance with the principles of liberty, equality and fraternity espoused by the French revolutionaries in 1789, which appeared to be being echoed by revolutionaries in Petrograd, Lithuania would be released from the now-extinct Imperial Empire.<sup>26</sup> The Germans hoped that with the apparent success of the Revolution, the Russians would withdraw from the War and renounce their interests in the Baltic as part of their surrender. No party involved in the debate on the resolution of the Lithuanian Question, however, was prepared to immediately renounce its position and in the months that followed the February Revolution, there appeared to be no imminent solution to the issue.

By the summer of 1917 it appeared as if the question of Lithuanian independence was seriously in jeopardy because of increasing hostility to the issue on the part of the Russian provisional government. It had refused to allow the matter to be brought before an inter-allied conference held in Paris in July. According to the new Russian minister of foreign affairs, M.I. Tereshchenko, “The Lithuanian Question is entirely a Russian Question.”<sup>27</sup> When news of this refusal reached Lithuania, a widespread nationalist guerilla movement erupted, with “Lithuanian Freedom Fighters” combatting both Russian and German troops. Their successors in the 1940s, the “Forest Brothers,” were to wage a lengthy and vigorous campaign against occupying Soviet forces following the end of World War II.<sup>28</sup>

In the struggle to achieve autonomy and independence, however, it was not just the activities of the Lithuanians inside Lithuania that should be considered. The role of the Lithuanians abroad should not be underestimated.<sup>29</sup> Lithuanians had begun emigrating during the period of russification in the nineteenth century, mostly to the United States of America. The closing of Vilnius University by the Russians in 1831 had led to many Lithuanians pursuing their studies in Western Europe, in



particular in France and Switzerland. But it was the Lithuanians in the USA who were the most numerous, with over 800,000 residing there in 1914, and it was these emigres who were traditionally the most active in championing any cause related to their homeland. A conference convened in Chicago, the centre of the Lithuanian community in the USA, between 21-23 October 1914, had declared itself to be in favour of an independent Lithuanian state, a state which should incorporate Lithuania Major and Minor as well as the Suvalki region.

By 1916, the well-organised Lithuanian community in the USA had become a serious political factor in the U.S. presidential campaign. The Lithuanians had formed a number of influential organisations, such as the Union of Lithuanian Workers, with a 125,000-strong membership, and the Union of Lithuanian Catholics, which numbered 100,000 members. These organisations were able to lobby effectively in Washington D.C., their success illustrated by President Wilson's decision to proclaim 1 November 1916 a day for collecting donations for the benefit of Lithuania throughout the USA.<sup>30</sup>

In May 1916, two members of the American-Lithuanian Council, Juozas Bielskis and Reverand Vincas Bartuška, visited Lithuania with the purpose of establishing an official link between the states of Western Europe, the USA and Lithuania. Although the visit was not to prove fruitful, the American Lithuanians were undeterred by this and continued to campaign vociferously for independence. Their actions inspired many of the European Lithuanians, who held a series of conferences throughout Europe to promote this cause.

The First Berne Conference on 3-4 August 1915 drafted a resolution emphasising the intellectual superiority of the Lithuanians over so many of the other subjects of the Russian empire and providing a reminder of the great history of the Lithuanian state and its mastery in Eastern Europe in the late middle ages. Publication of this Resolution in Lithuania led to demands for independence being made to the Russian Duma by the Lithuanian Deputy Januškevičius, who pleaded for the Russian authorities to "come to the aid of our unhappy country and give us the assurance that our just demand for national autonomy will be fulfilled."<sup>31</sup>

The Lausanne and Hague Conferences of February and the Second Berne Conference of 1-5 March 1916 concentrated on reaffirming Lithuania's commitment to independence in a state created in reflection of Lithuania's ethnographic boundaries. At these conferences, however, the issue of an independent Poland as a significant security threat to Lithuania surfaced, because of the belief that the Poles considered Lithuania to be little more than a Polish province. This concern was to be justified when the Poles seized Vilnius and the surrounding territory in 1922.<sup>32</sup>

The Hague Conference of 25-30 April 1916 focussed on the havoc wreaked on Lithuania by the Russian occupation over the centuries, ranging from the suppression of the Lithuanian national identity and culture and religious persecution to the destruction of Lithuania's economic footing due to the spoils of war. The treatment of Lithuania during the first two years of the war was highlighted:



hundreds of thousands of Lithuanian men had been conscripted into the Russian army, but despite this the Russians had not spared the Lithuanians during the evacuation. It was alleged that Russian troops were responsible for the massacre of many Lithuanian people and of deporting conscription evaders. But the ultimate grievance against the Russians and a key motive for demanding independence was the fact that the Russians had granted the Poles (whose claim for independence was no stronger than that of the Lithuanians') political autonomy, while not making good its promises to Lithuania.<sup>33</sup>

After the Hague Conference, the Lithuanian independence seekers, both in Lithuania and abroad, became divided (as they were to become again in the late 1980s) over the course that the drive for independence should follow. A small group of activists decided to settle for an autonomous region under a Russian protectorate, but the far larger and ultimately successful faction remained committed to achieving total and unequivocal independence. In Lausanne, a High National Council was created to represent Lithuania's people in all matters concerning their country.

The Lithuanians resident in Russia were also inspired by the activities of their counterparts in Europe and the USA. The focus for Lithuanians in Russia was in St. Petersburg, centred around Martynas Yčas, a Lithuanian deputy in the Duma and Reverend Laukaitis, who both headed the St. Petersburg branch of the Lithuanian Relief Association for War Victims. Early in 1917 Yčas established a Lithuanian National Council to petition the Duma for autonomy and, later, independence. This council, however, was also to become divided over the question of demanding outright independence or settling for a Russian protectorate, but when it was suppressed following the Bolshevik October Revolution, the radical faction, demanding outright independence, covertly re-established itself in Voronezh. It continued to demand the union of Lithuania Major and Minor and the evacuation of the German occupying forces.<sup>34</sup>

Fuelled by the enthusiasm of the Lithuanians abroad, those in Lithuania also increased their activities during the course of 1917. A group of five influential Lithuanians, A. Smetona, Dr. J. Saulys, Reverend Stankevičius, S. Kairys and P. Klimas, established a committee, which drafted and submitted two memoranda to the *Land Oberost* and participated in the joint appeal of the League of Subject Nations of Russia to President Wilson. They also represented Lithuania at the League's conference, which was held in Lausanne.<sup>35</sup>

In an attempt to reduce the guerilla attacks on the German occupying forces which had increased in Lithuania during the course of the German occupation, both as a result of this occupation and in an attempt to thwart any Polish plans for annexation, the *Land Oberost* proposed the formation of a "Trustworthy Council" made up of leading Lithuanians to work in conjunction with the *Land Oberost*. This was rejected by Basanavičius and Smetona on the grounds that the Lithuanians desired "a representative body elected by the people to voice the interests of the State"<sup>36</sup> as opposed to a puppet council. After lengthy negotiations, the Germans



consented to the Lithuanians holding a conference, but refused to permit public elections to be held to appoint its delegates.

An Organising Committee was therefore created, composed of the Vilnius Group and 17 popular local dignitaries. This committee was tasked with preparing the agenda for the Second Vilnius Conference and in selecting the method of providing delegates for the Conference, given that elections had been prohibited by the ruling German administration. The Organising Committee decided to allow between three and five persons, from each district in Lithuania "on the strict understanding that all classes and parties should be represented."<sup>37</sup>

The Second Vilnius Conference met in closed session without the presence of any representative of the German government between 18-22 September 1917. Its 214 delegates passed a Resolution of Independence and the Organising Committee elected delegates to create a *Taryba* (Council). The resolution emphasised Lithuania's natural interests as "being in the direction of the West, rather than in the East or South." The declaration recognised the Lithuanian state as conforming to Lithuania's ethnographic boundaries, but stressed tolerance of ethnic minorities. It also called for the creation of a Constituent Assembly, "elected in conformity with democratic principles by all the inhabitants of Lithuania." The possibility of Lithuania entering into an economic relationship with Germany was also hinted at and it was this compromise which the German administration was, reluctantly, forced to accept.<sup>38</sup>

Kaiser Wilhelm II and his chancellor, Bethmann Hollweg, were unwilling to abandon Lithuania, although pro-Lithuania activists in the Reichstag, such as Matthias Erzberger, were promoting withdrawal from Lithuania. On 11 December 1917, the Reichstag was informed that the German government was preparing to recognise Lithuania's sovereignty and on the same day, the *Taryba*, meeting in Vilnius, proclaimed the restoration of the Independent State of Lithuania, with its Capital City of Vilnius. A further, and perhaps more official Declaration of Independence was signed on 16 February 1918, although independent Lithuania was only formally recognised by Germany on 23 March.<sup>39</sup>

The Paris Peace Conference, which convened in 1919, proved at first to be less encouraging for the acquisition of further international recognition of Lithuania's independence. Although a Lithuanian delegation headed by Voldemaras was present at Versailles, it was not admitted into the Paris Peace Conference itself. The clause of the Treaty of Versailles which was directly relevant to Lithuania: the ceding of the Klaipeda and Memel Territory by Germany, failed to provide immediate benefit to the Lithuanians as the territory was transferred to the control of a French-led Allied Commission and not to the Lithuanians directly, because "the status of the Lithuanian territory has not yet been determined."<sup>40</sup> A further clause of the Treaty designated the Nemunas and Memel River as an international waterway. This was to provide problems in the future as relations between Lithuania and Poland deteriorated.<sup>41</sup>

Nonetheless, the Paris Peace Conference was to prove reasonably fruitful for the



Lithuanians. The Treaty of Versailles and the other minority treaties embodied the spirit of national self-determination and granted Lithuania grounds for demanding international acceptance of its sovereignty on this basis. On 23 May 1919 the Council of Foreign Ministers asked for a German military withdrawal from Lithuania as soon as the Lithuanians could be seen to provide suitable replacements<sup>42</sup> and the Lithuanian delegation at the Conference seized this chance to lobby vigorously for international recognition.

Permission to commence the process of preparing for independence had only been granted by the Germans, however, on condition that when independence was attained, Lithuania would establish a monarchical form of government, with Urach, prince of Wurttemberg as the elected monarch.<sup>43</sup> Although he was formally elected on 4 June 1918, this decree was repealed by the *Taryba* on 2 November. (Lithuanians favoured republicanism and were opposed to the idea of a monarchy because it was reminiscent of their union with the Poles in the Middle Ages.<sup>44</sup>) At the same time, the Basic Law of the Provisional Constitution of the Lithuanian State was passed, which was responsible for creating the highest state organisations: the State Council (the Legislature) and the Presidium of the State Council (the Executive). These two bodies were to head the provisional government whose main task was to pass laws for elections to the *Seimas*.<sup>45</sup> On 11 November, the first government was formed under Professor Augustinas Voldemaras. On 4 April 1919, Smetona was elected the first state president by the members of the state council.<sup>46</sup>

The years immediately following independence were characterised by frequent changes of personnel in the senior ministerial appointments and by loose-knit coalition government. Nonetheless a great deal of legislation was passed during these years affecting all aspects of Lithuania's development as an independent state. Legislation was passed on citizenship, local administration, the legal system, the introduction of Lithuania's currency and land reform, as well as on the re-establishment of Vilnius University.<sup>47</sup> The civil servants responsible for drafting this new legislation were poorly paid, yet the mood of exhilaration prevailing throughout Lithuania as a result of achieving independence, meant that they were prepared to suffer. According to Yčas, by this time finance minister, "They experienced great patriotism, suffered patiently and performed their duties with great sacrifice and conscientiousness . . . working not so much for the money as from a sense of duty to their nation."<sup>48</sup>

On 14-15 April 1920, elections to the heralded Constituent Assembly were held. Of the 112 deputies, the Christian Democrats received an absolute majority, taking 59 seats. The next largest group was the Peasant Union and Socialist Populist Bloc, with 28 seats. The composition of the Constituent Assembly reflected the political climate of Lithuania. The Christian Democrats were strongly supported by the Clergy and were to remain in power for several years. The Peasant Union and Socialist Bloc were never socialist in the strictest sense of the word: they were left-of-centre liberals. Echoed by Sajūdis, over 70 years later, the party of the two figureheads of Lithuania during its first year of independence, the National Progress



Party of Voldemaras and Smetona, performed disastrously and did not return a single deputy to the assembly.<sup>49</sup>

Two years later, on 10-11 October 1922, elections to the *Seimas* were finally held. The Christian Democrats again received the most votes, but failed to win a clear majority. Aleksandras Stulginskis was elected president of Lithuania. The first *Seimas* concentrated on reforming Lithuania's infrastructure, which had been devastated following the six years of war and conflict. Land reform continued, which was to have a great impact on the development of Lithuania's economy. But despite the passing of successful reforms, the Christian Democrats were unable to govern effectively and further elections were held in May 1926, which produced a government composed of a left-wing alliance between the Social Democrats and the Peasant Unionists with Dr. Kazys Grinius as president.<sup>50</sup> This coalition, however, was unable to attract sufficient other parties to form a majority and therefore also failed to govern effectively.

On the night of 17 December 1926, a band of officers seized key government buildings in a bloodless coup d'état, handing power back to Smetona and Voldemaras. The coup marked a significant development in Lithuania's history.<sup>51</sup> A new era began, with the birth of an authoritarian regime. By doing so, Lithuania emulated Poland, a state which also failed to remain a true democracy during the inter-war period.<sup>52</sup> The *Seimas* was dissolved on 12 April 1927, but no further elections were held. Opposition was gradually restricted as Smetona increased his control over Lithuania. He was to remain in power until the outbreak of World War II.

Although a key figure in Lithuania's struggle for independence, Smetona had been a committed Marxist as a young law student. He did not implement this philosophy because he believed, rightly so, that Lithuania was ill-suited for Marxism, as the preconditions for a Marxist society (including industrialisation and the presence of a proletariat) were not present. Smetona identified his contribution to the struggle for Lithuania's independence as being in the spirit of liberalism and admitted to being influenced by the ideas of Plato, whose works he had translated into Lithuanian.<sup>53</sup> He focused on the philosophies of nationalism, believing wholeheartedly that his vocation was to be *Tautos Vadas* (Leader of the People) and that Lithuanians were advised to trust in the wisdom of his authoritarian leadership.<sup>54</sup> Georg von Rauch highlights his demand for "frequent celebrations to glorify Lithuania's past and revive the spirit of the great medieval period."<sup>55</sup> Like his Latvian and Estonian counterparts, Karlis Ulmanis and Konstantin Päts, Smetona reorganised his Nationalist Party, according to John Hiden and Patrick Salmon, "along Nazi lines."<sup>56</sup> Unlike Hitler, however, all three leaders offered a benign form of dictatorship, more comparable to that of Salazar in Portugal than to that of Hitler himself.<sup>57</sup>

During the inter-war years, Lithuania's economy was to perform much better than many other European economies. The first few years, however, were to prove difficult because of the devastation caused by the war. There were two major issues



needing immediate attention: the question of land reform and the introduction of an independent currency.

The land reform issue was particularly pressing because Lithuania was a predominantly agricultural state. Until independence, much of the land had been owned by a few Lithuanian or Polish nobles. The Land Question had complex social and political aspects. Although 76 percent of the Lithuanian population worked in agriculture, the productivity rates were low and agricultural methods primitive.<sup>58</sup> Coupled with demands for independence was the desire to transfer Lithuania's land to the villagers and small-holders. During the attempted Bolshevik invasion immediately following independence, some estates were seized as Russian forces attempted to implement their own method of land reform.

During the first years of independence, a number of decrees were passed by the Lithuanian provisional government, which offered land to those soldiers and their families who had fought to procure and then defend Lithuania's independence. The Constituent Assembly promulgated the introductory Land Reform Law on 4 August 1920. According to this law, forests and timber stands of over 67 acres were nationalised, as were swamps, peat bogs, rivers, lakes and natural resources. Estates granted to nobles as the personal gift of Russian czars and all property of the former Russian state were nationalised without any compensation, as were estates which had been given to absentee landlords by the Russian government. On 15 February 1922 the Constituent Assembly passed the Land Reform Law, which was to lay the legal foundations for all subsequent land reform measures. In the inter-war years, Lithuania's farms were to flourish.<sup>59</sup>

Lithuania's currency, the Litas, was introduced on 1 October 1922. It was valued at US\$1:Lt10, but after the devaluation of the US dollar in 1934 this changed to US\$1:Lt6. With tight control by the Bank of Lithuania, the Litas kept its value until the Soviet occupation and was one of the most stable currencies in the inter-war years; years which were characterised by world-wide depression.<sup>60</sup>

With the healing of Lithuania's war wounds and the success of land reform, Lithuania's export markets flourished. More than able to supply themselves, Lithuanians exported their produce to western Europe, in particular Germany, which in the 1920s was still ravaged by shortages.<sup>61</sup> Bacon was one of Lithuania's chief exports: by 1936 she could produce 1,000,000 cwts of bacon per annum.<sup>62</sup> Lithuania's chief markets for bacon were Great Britain and Germany. On 4 August 1936, Germany signed a trade agreement with Lithuania, under which Germany agreed to take pigs to the value of Rmks 3,360,000.<sup>63</sup> Dairy products and timber were also valuable exports from Lithuania during the inter-war period.<sup>64</sup> By 1935 Great Britain took 45 percent of Lithuania's total exports and supplied 37 percent of Lithuania's imports.<sup>65</sup> By 1939 Lithuania's economy may be estimated as being on a par with Denmark<sup>66</sup> and it was Denmark who would usurp Lithuania's export role following the Soviet invasion of Lithuania and its subsequent forced detachment from western Europe.

On achieving international recognition on 20 December 1922, Lithuania



concentrated on establishing diplomatic relations with those states considered to be important in ensuring Lithuania's security and beneficial for trade. Lithuania, along with Latvia and Estonia, entered the League of Nations on 22 September 1921. Lithuania's membership was productive and active: not only did it devote itself to supporting minority causes, she used the international arbitration of the League in attempting to resolve the Vilnius dispute with Poland.<sup>67</sup>

Legations were established in the USA, Great Britain, France, Japan, Italy, the USSR and Germany as well as in other smaller states, but the Ministry of Foreign Affairs believed the American, British and French postings to be the most important and prestigious.<sup>68</sup> There were close links, including the signing of a formal Entente with the other two Baltic states of Latvia and Estonia, which had been created following the Russian surrender to Germany at Brest-Litovsk in 1918 and by the development of a post-Versailles Eastern Europe, but these links should by no means be exaggerated. The concept of the Baltic States as a unified group is a western perception: Estonia, Latvia and Lithuania were and still are dissimilar states united by geography rather than by a common cultural heritage. Estonia was and is still often perceived as "Finland Minor" by the rest of the world, while Latvia emerged out of the old Russian province of Livonia. Only Lithuania could trace back its history as a specific entity over 1,000 years.<sup>69</sup>

Lithuania was a great supporter of international events. Lithuanian teams began competing in the Olympic Games in 1924, and, as the power of flight improved in the inter-war years, Lithuanian pilots joined their European and American counterparts in pioneering transatlantic ventures. Saulius and Girenas were one of the first teams to successfully fly across the Atlantic in 1928, but unfortunately crashed and were killed in Germany.<sup>70</sup>

During the inter-war years there were three areas of foreign policy which were to be of serious concern to the Lithuanian government: Lithuania's relations with Russia, Poland and Germany. The Russian problem, in the inter-war years, was the most easily resolved. On 5 January 1919 Soviet troops entered Vilnius. Fortunately the Lithuanian governmental administration had been moved to Kaunas, where it was to remain, days before. The Soviet forces remained on Lithuanian territory, advancing towards the Baltic Sea and seizing several key towns such as Šiauliai, but Kaunas was never taken and, with German assistance, the Soviets were forced out of Lithuania by October 1919.

On 12 July 1920 a peace treaty was signed between Lithuania and the USSR. The first article of the treaty was the most significant for it reaffirmed Lithuania's independence from Russia: "Basing itself upon the declaration of the USSR's Assembly that each nation has the right of self-determination, and becoming entirely independent from the state which it is now part of, without any reservations Russia recognises Lithuania's independence and self-government with all its due jurisdictional rights, and with good will renounces for all times, all rights of Russian sovereignty which she had over the Lithuanian nation and its territories."<sup>71</sup> In 1926 this Treaty was supplemented with the signing of a non-aggression pact on 22



December. Lithuanian-Soviet relations were to remain cordial until the outbreak of World War II.

Relations with Poland, however, were not to prove as harmonious. Even before independence had been declared, the Poles had made no secret of the fact that they wished to claim parts, if not all of Lithuania's territory. Intervention by the League of Nations failed to halt skirmishes between Lithuanian and Polish forces and in 1922 diplomatic relations as well as communications links were fractured and not restored until 1939. On 9 October 1922, the Polish army, commanded by General Żeligowski, seized Vilnius and its surrounding territory. This was a great blow to many Lithuanians as Vilnius had always been considered to be Lithuania's capital and the seat of power of Lithuania's great dynastic leaders. "*Ši pasaulis bus be Vilniaus nematimsim.*" (Hark World, we will not rest without Vilnius!) wrote Petras Vaičiūnas, a contemporary poet, on hearing the news of Vilnius' seizure.<sup>7</sup> Relations with Poland remained frozen until the atrocities inflicted on both Poland and Lithuania during the course of World War II bound the two states together against a common foe. Following the restoration of independence in 1990, however, the age-old differences and conflicts began to re-emerge.<sup>8</sup>

Relations with Germany were far more complex in the inter-war period. While Lithuania depended heavily on Germany as an export market for Lithuanian produce, there was a major territorial dispute which jeopardised the relationship between the two states. This was over the port and hinterland of Klaipėda, known to the Germans as the Hanseatic port of Memel.<sup>9</sup> This territory, referred to as Lithuania Minor, had been incorporated with Königsberg into East Prussia, with Klaipėda itself under French jurisdiction, as a result of the Treaty of Versailles, which had divided Germany to grant Poland access to the Baltic Sea. On 24 March 1919 the Lithuanian government made a formal demand for the union of Klaipėda with the rest of Lithuania, basing the demand on the oft-quoted principle of national self-determination. On 11 November 1921, with no resolution having been reached to the problem, the Constituent Assembly of Lithuania demanded Klaipėda's union with Lithuania.

On 9 January 1923 Lithuanian rebels seized towns and villages in the south of the Klaipėda district without encountering any resistance and by 15 January had taken the port itself. Notes of protest from German and French authorities were presented to the Lithuanian Ambassadors' Conference held in February in an attempt to resolve the dispute and on 16 February the conference decided to formally turn the district over to Lithuania. "Klaipėda and the regions adjoining it were more closely linked to Lithuania—both ethnically and economically—than they were to Germany."<sup>10</sup> Klaipėda was to remain under Lithuanian control until 1939, when Hitler occupied the district, claiming that the population was being discriminated against and desired to be "reunited" with the Reich.<sup>11</sup> The Lithuanian government had been presented with an ultimatum on 19 March 1939 forcing it to return the region or face an invasion and occupation of all of Lithuania.<sup>12</sup> The government had no choice but to relinquish the territory in the vain hope that this



concession would curtail Hitler's ambitious plans for eastward expansion in the guise of *Lebensraum*. In the inter-war years, Lithuania had "found . . . a niche in the European security system established at Versailles,"<sup>78</sup> but when this system was annulled by Hitler's actions, Lithuania and the other Baltic States were left defenceless.

## Part 2

*"Lithuania has not lost her independence. Lithuania's independence has only temporarily been put aside."*

Franklin D. Roosevelt. 15 October 1940<sup>79</sup>

Membership of the League of Nations was to prove insufficient in protecting Lithuania from the territorial ambitions of both Hitler and Stalin. Hitler wanted *Lebensraum*, while Stalin wanted to expand the borders of Soviet Russia and/or to create a buffer zone against the advancing Nazi onslaught. The Secret Protocols of the Molotov-Ribbentrop Pact, signed on 23 August 1939, originally put Lithuania, unknowingly, in Hitler's sphere of influence. An additional protocol signed a month later, however, moved Lithuania into the Russian zone.<sup>80</sup> A Communist-enforced declaration of the *Seimas* declared that the Lithuanian people desired to join the USSR and in June 1940 Soviet officials and troops moved in.<sup>81</sup> President Smetona fled to Germany and later to the USA, where he was to die in a fire on 9 January 1944.

Justas Paleckis, a Communist sympathiser, assumed the power of prime minister and in August 1940, the man who was to remain first secretary of the Communist Party of Lithuania (CPL) until 1974, Antanas Sniečkus, assumed power. He was to prove to be such a hard-line Stalinist that although first secretaries in the Soviet Republics' Communist Parties were traditionally Russian in the post-war years, Moscow felt this to be unnecessary in Lithuania because of the enthusiasm for orthodox Communism demonstrated by Sniečkus.<sup>82</sup>

The immediate result of the Soviet occupation was the deportation to Siberia of those Lithuanians considered to be bourgeois, imperialist, fascist, or indeed anything that could possibly be interpreted as being anti-Soviet. Included in the deportations were women and children. Those Lithuanians able to do so, fled the country.<sup>83</sup>

Operation Barbarossa, however, the Nazi invasion of the USSR launched on 17 June 1941, was to halt the deportations temporarily. The Nazi occupation of Lithuania was to be as brutal as any occupation in Eastern Europe for the Jewish population of Lithuania: atrocities committed during 1942-1944 were as horrific as any of the more notorious reports of the Holocaust.<sup>84</sup> But with the German retreat in full swing by 1944, Soviet forces re-occupied Lithuania and the deportations continued, this time with all those who had in any way co-operated with the Nazis also targets for deportation. The sentences were not only for salt mines or labour



camps: merely surviving in Siberia for periods of up to 35 years was to prove hard enough. With one-third of the entire population of Lithuania deported, there is not one family in Lithuania that has been unaffected by the deportations of the 1940s. The German retreat also witnessed the last period of mass emigration, as many people, knowing that they were targets for deportation or arrest, also desperately fled the country.<sup>85</sup>

Resistance to the Soviet occupation continued on a partisan basis until 1953 with the Forest Brothers in particular being extremely active.<sup>86</sup> On the surface it appeared as if the Lithuanians had been subdued by their Soviet occupiers, but the Lithuanian national identity continued to be maintained. Lithuanian was spoken at home, despite the imposition of Russian as the official language, and Lithuanians continued to attach great importance to symbols such as their national flag: yellow (representing the sun), green (for Lithuania's land) and red (for the blood of Lithuania's patriots through the ages). Lithuanian national costumes remained at home and amber jewellery, traditionally Lithuanian, was worn by most women.<sup>87</sup>

Religion continued to be observed at home, although it was severely condemned by the Communist authorities, with the closure of all but one of Lithuania's seminaries and widespread persecution of clerics. Many churches, including Vilnius' cathedral, were either turned into museums or galleries or were closed and allowed to fall into a state of disrepair. The authorities, however, were unable to suppress many Lithuanians' religious fervour. Numerous *samizdat* publications continued to appear, advocating the maintenance of the catholic faith. Some were published in the USA and smuggled into Lithuania at great risk to those who did so. These included the *Chronicle of the Catholic Church in Lithuania*, published by the Lithuanian Roman Catholic Priests' League of America, which not only continued to uphold Catholicism, but was a source of news about those incarcerated in Soviet jails or camps for their religious beliefs.<sup>88</sup> Archbishop Steponavičius was Lithuania's only remaining archbishop throughout the Soviet occupation and he was exiled to a remote part of Lithuania for 20 years.<sup>89</sup> Despite such persecution, Catholicism in Lithuania received a significant morale boost in 1978 when Pope John Paul II, a Pole with a Lithuanian mother, assumed power. He sent active and frequent messages of support to Lithuania's Catholics but was constantly prevented from visiting Lithuania by the Soviet authorities.<sup>90</sup>

There were also periodic explosions of nationalism, such as in 1972 when a young student by the name of Romas Kalanta committed an act of self-immolation on the main street of Kaunas.<sup>91</sup> Nonetheless, there was always a strong Communist presence in Lithuania and any of these public nationalist outbursts were quickly suppressed. After Sniečkus' death in 1974, he was replaced by another ardent Communist, Petras Griškevičius, who lived until 1987. He made no concessions to the unspoken demands of Lithuanians for restoration not only of their independence, but also their history and cultural heritage, which had been erased and replaced by Soviet propaganda.<sup>92</sup>

During the course of the Soviet occupation, the exiled Lithuanian communities



worldwide, particularly in the USA, Canada and Australia, the traditional refuges for emigre peoples, never gave up hope that they would be able to return to Lithuania: many of the ex-government officials residing in the UK and the USA would hold fantasy cabinet meetings allocating each other ministerial portfolios for their eventual return, convinced that the Lithuanians would want the restoration of what was left of their inter-war government.<sup>93</sup> There were constant public demands by emigres and exiles for the restitution of Lithuanian independence, including at the 1964 World's Fair in New York City.<sup>94</sup>

It was not until 1987, with increasing tolerance being shown to foreigners under the new regime of Mikhail Gorbachev, that many Lithuanian exiles and emigres thought it would be safe to return, if only for a visit, even though they were accompanied by KGB agents posing as tour guides and had to conform to a rigid Intourist itinerary.<sup>95</sup> No one on these trips dreamed that independence would be a reality within four years.

In Lithuania at this time, academics were debating ways of achieving economic autonomy, a far more plausible goal than independence. It was felt that the Soviet occupation and the ensuing policies of centralisation and collectivisation were directly responsible for the collapse of Lithuania's economy.<sup>96</sup> Many believed that if Lithuania were not forced to export the majority of its produce to supply the rest of the USSR, Lithuanians would be able to supply themselves more than adequately and thus avoid the shortages that were characteristic of the Soviet regime.<sup>97</sup>

While the leader of the Communist Party of Lithuania (CPL), Rindaugas Songaila, who had succeeded Griškevičius in 1987, was in power, there was little realistic chance of this happening. Songaila, too, was a zealous supporter of the Soviet regime. Until 1988 the equally unpopular Aleksei Mitkin held the post of second secretary. He had not been born in Lithuania and had no familial ties with the Republic. It required the presence of a far less authoritarian leader for there to be a realistic chance of economic autonomy.

This leader was to come in October 1988 when Songaila was replaced by Algirdas Brazauskas. Although Brazauskas himself had grown up with and advanced through the Communist Party hierarchy to its highest echelons, he comes from a very large, intensely nationalistic family and despite conforming to Soviet ideals, he always remained a Lithuanian nationalist at heart.<sup>98</sup>

Also allowing Lithuanian grievances to be openly aired was the new political climate in the USSR. This was the direct result of the appointment of Mikhail Gorbachev as general secretary of the Communist Party of the Soviet Union (CPSU) in 1985, which was to have far-reaching consequences for Lithuania. Gorbachev unleashed a reform programme that was to (although not intentionally) bring about the collapse of the USSR and the restitution of Lithuania's independence. The reforms carried out under the ethos of *Glasnost* and *Perestroika* were designed primarily to restructure the economy in a new era of openness after the repressive regimes of former Soviet leaders.<sup>99</sup>

Gorbachev's reforms had active support in Lithuania. Many Lithuanians by



1988, when *Perestroika* and *Glasnost* really began to take hold, did not believe that total independence would be possible, yet the reforms were welcomed in the belief that they offered the best chance for gaining regional autonomy, the best alternative to independence. As in many western states, such as the UK or the then West Germany, Gorbachev enjoyed great popularity among the Lithuanian people, some of whom, being deeply religious, offered daily prayers for his health and safety.<sup>100</sup> There was constant trepidation that an assassin's bullet could terminate the reform programmes, given the continued existence of authoritarian "old guard" opponents to Gorbachev's liberal policies.

At first, however, it looked as if the Lithuanians would not benefit as much as had been hoped from Gorbachev's policies, for they suffered two major setbacks during the course of 1987-1988. The first was during a debate on the Molotov-Ribbentrop Pact, the clauses of which were a long-standing Lithuanian grievance. When it came up for discussion in the Supreme Soviet, Gorbachev insisted that the past had to remain in the past and that it was more important to look to the future and at new directions for the development of the USSR.<sup>101</sup>

The second setback was related to the drafting of a bill which would give economic sovereignty to the Baltic States. The actual debate on the economy in the Supreme Soviet, however, was diverted from the subject of decentralisation and the benefits of a European-style common market by hardliners and the debate turned instead into an attack on the Baltic States for what was being seen in Moscow as an attempt to break away from the USSR. As a result of this, the proposed bill was temporarily discarded by the Supreme Soviet of the USSR.<sup>102</sup>

These two moves, combined with the effect of *Glasnost*, contributed to the radicalisation of the attitudes of many Lithuanians, which continued to increase as it became apparent that Gorbachev was incapable of fulfilling his original promises. In the press and on the streets, Lithuanians were far more outspoken than ever before in their criticism of Gorbachev's regime.

The 70th anniversary of Lithuanian independence was marked in 16 February 1988 by small demonstrations in Vilnius and Kaunas, even though leading Lithuanian dissidents had been arrested days before in an attempt to prevent such events from occurring.<sup>103</sup> From that day on, there was increasing pressure for the renaming of many main streets in Lithuania: the main street in Vilnius had been renamed Lenin Prospect, from Gediminas Avenue as part of the policy of sovietisation which had been rampant throughout Lithuania following the Soviet occupation. In the first few months of 1988 a number of small organisations sprang up with the purpose of debating topical issues, perhaps most importantly the future of Ignalina Nuclear Power station.

Ignalina was to become a major focus of activists' demonstrations, because it was built to the same design as the Chernobyl reactor which had exploded so disastrously in 1986. Lithuania had been badly affected by the Chernobyl disaster, although this had never been publicly admitted by the authorities. Many of those people who were outside for prolonged periods of time in Lithuania on the day the



radioactive cloud passed, unknown to them, overhead, are now experiencing health problems due to high exposure to radiation. There was, and still is, the fear that a similar disaster was capable of occurring in Lithuania itself, when the consequences would be catastrophic.<sup>104</sup>

These discussion groups also spent increasing amounts of time debating Lithuania's history as an independent state, discussions which 5 or 10 years earlier, would have been prohibited. There was a general consensus among Lithuania's academics that the obliterating of Lithuania's achievements as an independent state was a travesty and that more attention should be paid to Lithuania's illegal incorporation into the USSR.<sup>105</sup>

At the beginning of June, a new force entered into the life of the Republic; Sajūdis, which simply means "Movement." It was actually formed as a result of Gorbachev's decision to call the nineteenth Party Congress in Moscow, to which delegates from all the republics were invited. Public meetings were held in Lithuania to debate which issues should be debated at the Congress and these were sanctioned by the CPL.

Sajūdis drew up a significant list of demands, which was basically a manifesto for the movement. Socially, Sajūdis wanted an ending of the privileges of the *Nomenklatura*, to raise standards of living, to improve healthcare, to increase investment in industry and to hold officials accountable for their decisions. The Cultural Commission of the Movement wanted to gain increased support for saving and restoring Lithuania's cultural heritage and to remove "blank spots" from the Sovietised version of Lithuania's history.<sup>106</sup> The National Relations Commission presented demands for the return of Lithuania's history to its people, the recognition of Lithuanian as the official language of the Republic and the resolution of any minority problems in Lithuania. The Economics Commission called for economic and political self-sufficiency for Lithuania, price reform, limitations on inter-republic migration and the development of trade. The use of the word "self-sufficiency" was deliberately chosen to avoid any direct mention of autonomy or independence, for at this stage Sajūdis had no political agenda. Spokesmen for the movement agreed that it was purely a "commonly agreed sense of reform" with no intention of becoming a permanent organisation. They repeatedly insisted that once the CPL had committed itself wholeheartedly to *Perestroika* the movement would dissolve itself.<sup>107</sup> At this time Sajūdis had no real links with the Catholic Church but the church, too, was re-emerging from the shadows, with the public practising of religion becoming more widespread as the persecution of both clerics and believers eased.

The kernel of Sajūdis, which was responsible for proposing policy, was the Initiative Group. This was composed predominantly of intellectuals, but perhaps more important, 17 of the group were card-carrying members of the CPL, who justified their membership by saying that they were working to bring the CPL in line with the ideals proposed under *Perestroika*.<sup>108</sup> To spread the Sajūdis message to all parts of Lithuania, young Lithuanians organised a bicycle tour around Lithuania



in the summer of 1988.<sup>109</sup> Until July, however, the Lithuanian government paid the movement little real attention in the hope that it would disappear if ignored.

The first Sajūdis-sponsored rally was held in Vilnius on 14 June, the day traditionally held in the Lithuanian calendar for remembering those deported to Siberia. The forbidden national flag was raised for the first time in public by some of the demonstrators, which surprised many of the participants and emboldened Sajūdis members.<sup>110</sup>

On 23 June Sajūdis members demanded formal recognition from the CPL as a movement designed to advocate *Perestroika*. This was not granted, but at this meeting, a secretary of the CPL, Algirdas Brazauskas, announced that he was personally requesting Moscow to halt construction of the fourth unit of Ignalina power station, which won him great support. He also announced that he would be attending the Sajūdis rally scheduled for the following day.

An estimated 20,000 people assembled in Gediminas Square in the heart of Vilnius on 24 June. Brazauskas spoke of the programme that was being presented at the nineteenth Party Congress and then Vytautas Landsbergis, a man whose name would become synonymous with Lithuania's drive for independence, took to the stage. He recounted the grievances of the majority of Lithuanians, but in an attempt to appease the Communist authorities, called also for restraint and sobriety on the part of the audience. Alcoholism was and still is a major problem within Lithuanian society and since his election as general secretary, Gorbachev had spearheaded a major temperance drive throughout the USSR.<sup>111</sup> Despite gaining rapid support, however, Sajūdis was still faced with the problem of the authorities' refusal to recognise the movement or publicise any of its activities.

But many Lithuanians were determined to bring the activities of Sajūdis to the attention of the public and on 9 July an estimated 100,000 people assembled in Vingis Park, the main park of Vilnius. The key point of this meeting was to force the Lithuanian authorities to recognise the validity of the three Lithuanian national flags. Besides the tricolour, a white knight on a red background, the *Vytis* and a schematic outline of Gediminas Castle on a tricoloured background were also flown in the inter-war years. These were flown again that afternoon. The Soviet flag was not to be seen amidst a sea of yellow, green and red. The participants were informed that Lithuania's official Soviet flag had been due to be raised, to appease the authorities, but somehow its ropes had been tampered with.<sup>112</sup> The participants were also told by the rally's organisers that if there was any force used against them by the Soviet monitors, they were to offer only passive resistance, but the meeting proved to be orderly.

Brazauskas took to the stage and informed the audience that the Lithuanian authorities would begin to make preparations for the legalisation of the national flag, which he later admitted was a spur of the moment decision which he actually had no authority to make,<sup>113</sup> but nonetheless it was never retracted. Sajūdis officials had circulated copies of Independent Lithuania's national anthem, *Lietuva, Tėvyne Mūsų* (Lithuania, our Motherland)<sup>114</sup> and this was sung in public for the first time



since it was banned in 1940. After this, again, in an unprecedented move, Brazauskas took the microphone and announced that he would be making enquiries in Moscow regarding the restoration of Lithuanian as the country's national language. Many people could not believe their ears and public support for Brazauskas soared.<sup>115</sup> Following the rally, the Lithuanian Supreme Soviet recognised as null and void the decision made by the *Seimas* in 1940, affirming Lithuania's request to join the USSR.

On 28 September there was a confrontation between Sajūdis activists and the authorities: demonstrators hurled rocks and bottles at the militia, who responded with clubs and truncheons. This was the most violent demonstration to have been held in recent years and the aggressive handling of it by the militia severely discredited Songaila.<sup>116</sup> He was not to remain in power for much longer: Songaila was ousted from office in October as a result of Sajūdis pressure. Mitkin went with him. They were replaced by Brazauskas as first secretary and Vladimir Berezov, a Russian born in Lithuania, as second secretary.

Mitkin, already disliked by most Lithuanians, had made himself even more unpopular shortly before his removal from office by giving a television interview on 18 October, during the course of which he warned that "democracy and *Glasnost* do not mean anarchy and permissiveness." He also told the Lithuanian people that the USSR needed their agricultural output: this was acerbically summarised by the Lithuanians as meaning "*You* have to work harder so that *We* have meat."<sup>117</sup> On 19 October, Songaila and Mitkin were forced by growing CPL pressure, combined with pressure from Moscow, to resign in an attempt to preserve stability in Lithuania. The year 1988, therefore, had been momentous for the Lithuanians. Lithuanian had become the official language of the Republic, Songaila and Mitkin had been ousted and the popular Algirdas Brazauskas had become the first secretary of the CPL.

The year 1989 was to prove significant for both the history of Lithuania and for the world. In Lithuania, the main focus of national interest was the pending 50th anniversary of the Molotov-Ribbentrop Pact and it was that to which most political attention was devoted. Simultaneously, to confront the growing tide of nationalism sweeping through the USSR, Gorbachev announced the calling of a new Parliament, the Congress of People's Deputies. Almost all of the Lithuanian deputies came from Sajūdis. When Gorbachev asked the Congress to vote on an increase in his powers, the Lithuanian delegates publicly walked out of the chamber, making clear their opposition to this request.

During the course of 1989 Sajūdis continued to hold mass rallies as forums for developing policy. At one such rally, on 20 August, three days before the anniversary of the Molotov-Ribbentrop Pact was due to be commemorated, the desire for actual independence from the USSR was first publicly stated, which attracted great support.<sup>118</sup>

On 23 August one of the most prominent and telegenic demonstrations ever to be held within the Soviet Union took place, when Lithuanians, Latvians and



Estonians managed to form a human chain, three people deep in some places, across the length of the Baltic States, protesting at the invalidity of the Molotov-Ribbentrop Pact. Moscow condemned the action, but there was no physical retaliation against the demonstrators, which had been feared by the participants.<sup>119</sup> This action attracted international attention to the situation in the Baltics for the first time on a major scale and alerted those in the West to this nationalist sentiment re-emerging in Eastern Europe. Erich Honnecker, leader of East Germany, and Nicolae Ceaușescu of Romania both offered Gorbachev use of their forces if he wished to quell the demonstrators, but the offer was refused.<sup>120</sup>

Then on 9 November 1989, the Berlin Wall, the ultimate physical embodiment of the Iron Curtain that had “been drawn across Europe”<sup>121</sup> following the end of World War II, came tumbling down. With it, and remarkably bloodlessly, with the exception of Romania, fell the Communist regimes of the eastern and central European Soviet satellite states.

This proved to be a nail in the coffin of the USSR. As Yegor Ligachev expressed it in a television documentary interview several years later, “We lost the Warsaw Pact while NATO got much stronger.”<sup>122</sup> None of the former Warsaw Pact states expressed the remotest interest in remaining allied with the USSR: their main concern was to be accepted into the European Union and NATO as quickly as possible. Fuelled by the success of the eastern and central European states, coupled with the passing of a resolution by the USSR’s Congress of People’s Deputies denouncing the Molotov-Ribbentrop Pact as the justification for Lithuania’s incorporation into the USSR, the Lithuanian Supreme Soviet voted overwhelmingly for independence on 22 December 1989 and, as the conclusion of months of internal debates, in an unprecedented step, Algirdas Brazauskas broke the CPL away from the Communist Party of the USSR.

The CPSU and Gorbachev in particular were thoroughly displeased by this move. Brazauskas was summoned to Moscow on Christmas Eve, where he justified the events that had taken place in Lithuania by saying that “We cannot separate events in Lithuania from those in Eastern Europe.” He described Lithuania as being like a car: “this car had no reverse gear. We had to go forward.”<sup>123</sup> Gorbachev expressed his opposition to the events of the previous weeks, but said to both Brazauskas and his own aides that “the main aim is to avoid a shootout . . . otherwise it is all over.”<sup>124</sup> He recognised that the traditional Soviet method of repression would no longer be tolerated by the governments of the Western states whom he was courting in an attempt to gain economic assistance.

Gorbachev paid a visit to Vilnius in January 1990 to further rebuke Brazauskas (who had not reversed his decision to break the CPL away from the CPSU) and to see for himself the situation in Lithuania. He was greeted at Vilnius airport by Landsbergis, the Professor of Musicology who was by now recognised as the leader of the Sajūdis movement, in the manner that one would greet a visiting head of state, which Gorbachev found to be completely unacceptable.<sup>125</sup> Although at every stage of the visit Gorbachev was met with demands for independence, his underlying



message to the Lithuanians was that any form of secession would be met with Soviet reprisals.<sup>126</sup> It is, however, possible that Gorbachev was already resigned to the loss of Lithuania from the USSR, for it was later revealed that he bid farewell to Landsbergis' deputy, Kazimiera Prunskiene, with the words "Well Kazimiera, maybe we'll meet on the international circuit."<sup>127</sup>

The majority of the breakaway CPL initially accepted a social-democratic manifesto. The name of the party was first changed to the Social Liberal Party and finally to the Lithuanian Democratic Labour Party (LDLP). Its aim was to reform the Communist Party into a genuine left-of-centre party for a democratic and independent Lithuania. The LDLP actively supported a transition to a market economy and the improving of social conditions for the Lithuanian population.

A small part of the CPL, however, being orthodox Communists, remained a part of the CPSU. They strongly opposed any idea of an independent Lithuania, declaring their allegiance to Moscow and after the original CPL changed its name to the LDLP, this faction retained the CPL name.

The first free elections for 50 years were held in February 1990. The majority of public support was given to those candidates who would agitate for an independent Lithuania. Sajūdis gained nearly 70 percent of the votes cast, while the LDLP gained nearly 30 percent. Both Brazauskas and Landsbergis were rated extremely highly by the voters.<sup>128</sup>

In Moscow, however, in an attempt to bolster his crumbling position, Gorbachev campaigned to be granted the powers of an executive president, that is, to be given the ability to make decisions without requiring the approval of the Congress. On 10 March, the deputies of the Supreme Soviet convened in Moscow to vote on the authorization of Gorbachev's increased powers. Although the Lithuanians refused to be present for the vote, it was felt that a result in favour of Gorbachev would greatly jeopardise their chances of gaining actual independence. Therefore on 11 March, at the first meeting of the Lithuanian Supreme Soviet in Vilnius, the legislature adopted an act declaring the formal restitution of Lithuania's independence. This move was almost unanimously supported by the LDLP, especially by Brazauskas. According to Prunskiene, the Lithuanians felt that their hand was forced by what was happening in Moscow.<sup>129</sup> There was a general consensus both in the Lithuanian Supreme Soviet and among the people as a whole, that this was a now or never chance for independence. A new government, with Vytautas Landsbergis as chairman was formed to lead the Republic.

Opposition from Moscow to this move was predicted by the Lithuanians, but it was felt that it would take the form of a legal decision annulling, invalidating or postponing the Lithuanians' decision. There was even the fear that force would be used, given the dramatic and radical nature of the situation. Instead, Gorbachev reacted by punishing Lithuania with the imposition of an economic blockade during the spring of 1990. Oil supplies from the USSR through the only pipeline to Lithuania's oil processing plant were cut off and the supplies of commodities and manufactured goods were reduced. Nonetheless, the Lithuanian government refused



to rescind the Declaration of Independence and by the autumn of 1990 the blockade petered out, although it was never formally lifted. Access to Lithuania from the West was possible by November.<sup>130</sup>

The blockade failed for several fundamental reasons: first, the resolve of the Lithuanian people. For a short period of time, many Lithuanians were so relieved to have won back their desired independence, that they were prepared to suffer shortages in their determination to rid themselves once and for all of the USSR. This was made easier, however, by the fact that spring and summer were much easier seasons to tolerate than autumn or winter: most Lithuanians had small plots of land on which they grew ample quantities of fruit and vegetables, so that they could feed themselves and these two seasons were naturally much warmer than autumn or winter, when the fuel and hot water shortages would have created far greater discomfort. It was later to be argued that had the blockade actually been imposed for a longer period, Lithuanians would have greatly benefited from it. Had they been forced to ally together to combat hardship and deprivation, they would, in all probability, have been better equipped mentally to withstand the numerous problems and challenges that they would face in the first few years of independence as the transition to a market economy was to prove harder than ever imagined.<sup>131</sup>

In spite of the blockade, the Lithuanian legislature and government spent 1990 attempting to restructure the state and transform the economy. The new law on citizenship granted it to every person living in Lithuania at the time, including minority Russians, Poles and Belorussians.<sup>132</sup> There was a high expectance of international recognition of the republic of Lithuania, given that throughout the Cold War, the Western Allies had stated frequently that they had never recognised the legality of Lithuania's incorporation into the USSR and had allowed Lithuanian embassies to remain in the UK, USA and the Vatican. These embassies, however, provided no practical function during the post-war years except to serve as a reminder of Lithuania's unwillingness to remain in the USSR.

The much longed-for international recognition, however, was not forthcoming, except from Iceland.<sup>133</sup> This disturbed the Lithuanians, many of whom felt betrayed by the government they had believed to be their allies. Yet until the fall of Gorbachev in August 1991, the UK, USA and Germany in particular were far more concerned about maintaining and improving their relationships with Gorbachev than risking his alienation by supporting a seemingly insignificant little state.<sup>134</sup>

Tension remained high throughout the course of 1990, as most Lithuanians could not believe that they would not face some sort of repression from Moscow, as had happened in Hungary in 1956, Czechoslovakia in 1968 and more recently in Georgia. The anticipated clampdown finally materialised on 13 January 1991. With the eyes of the western media on them, Soviet troops, led by KGB and CPL activists, used tanks and firearms to crush unarmed civilians trying to passively defend the television tower and other civilian buildings in Vilnius. During the night, 14 people were killed and approximately 800<sup>135</sup> injured as the Lithuanians defended their capital city. The Parliament was barricaded and the government remained



within it, broadcasting to the nation and advocating passive resistance. At the same time, plans were made to establish a government-in-exile, which was to be led by Stasys Lozoraitis, who had been Lithuania's ambassador to the Vatican and the USA throughout the Soviet occupation and whose father had been foreign minister in the inter-war years, as it seemed more than likely that the Parliament building and the government within it would be seized by Soviet troops.

From the occupied television tower, CPL and KGB authorities broadcast programmes described by Bridget Kendall of the BBC World Service as "breathtaking lies," claiming that Lithuanians had turned, without provocation and fired on the Soviet troops stationed in Vilnius.<sup>136</sup> Although Gorbachev denied his personal involvement in the action taken by the Soviet troops, at one stage even claiming to have been asleep, he must, if only by virtue of being president, bear some of the responsibility for their actions. Although the Parliament building was not attacked, partly because of the massive amount of western media attention (even though the Gulf War was being fought at the same time) and western governments' condemnation of the actions of the Soviet troops,<sup>137</sup> the events of 13-14 January served to finally sever Lithuania's links with Moscow.<sup>138</sup>

The situation in Lithuania throughout the spring of 1991 remained tense. While the council was creating new, independent republican bodies, Moscow was simultaneously maintaining and reinforcing the old government structures. For example there were two general prosecutors and their respective staffs, one pro-independent Lithuania, the other managed by Moscow. Although Lithuania had established its own police force, the Special Soviet Task Militia (OMON) remained active throughout the Republic. Former orthodox Communists, operating under the *Yedinstvo* banner, were also actively encouraging a return to Communist rule. Tension increased in late spring 1991, when 6 Lithuanian customs officials were murdered on the Lithuanian-Belorussian border. An investigation by the Lithuanian general prosecutor pointed the finger of suspicion at OMON forces, although there was no conclusive proof.<sup>139</sup>

Until August 1991, Lithuanian-Soviet relations appeared to have reached an impasse, with neither Gorbachev nor Landsbergis prepared to compromise. With increasing hostility to the continued presence of OMON forces in the Republic, it seemed as if it were only a matter of time before the events of 13-14 January would be repeated. Unforeseen events in Moscow, however, were to alter the situation.

It took the coup of 19-21 August, the failure of which toppled Gorbachev and installed Boris Yeltsin as the leader of what remained of the USSR, for Lithuania to be internationally accepted as an independent Republic, once the West finally realised that Gorbachev was a spent force. On 6 September, the USSR publicly recognised an independent Lithuania and shortly thereafter the three Baltic States were admitted into the United Nations. The serious work of reconstructing the Lithuanian state was now to begin. Lithuanian political, economic and social life began to be regenerated in the following three years. It would, however, take far longer for the wounds inflicted on Lithuania by the fifty-year Soviet occupation to



be healed.

## Notes

1. Maironis, "the most outstanding poet of Lithuania's national rebirth," according to the *Baltic Reference Book*, laid the foundations for modern Lithuanian poetry with his anthology entitled *Pavasario balsai* (Voices of Spring), written in 1895.

2. Jakštas, J. *Lithuania to World War I* in Gerutis, A. (ed) *Lithuania: 700 Years*, Maryland: 1984, 43.

3. *The Baltic States: A Reference Book* Lithuania Encyclopedia Publishers: 1991, 179.

4. The traditional pagan festivals were subsumed into the Catholic faith after Christianisation. The most important pagan feast of Midsummer is now St. John's Eve: a day of great, mass celebration throughout Lithuania. The 1980s and 1990s have witnessed a return to the old traditions with many children being named after mythological or ancient Lithuanian historical figures, such as the Princess Birutė. Lithuania's pagan antecedence has also been used to promote the idea of cremation (opposed by the Catholic church), as Lithuania's cemeteries are expanding too far. The newspaper *Gimtasis kraštas* called for "a return to our pagan heritage" as a means of promoting this idea. (*Gimtasis kraštas* 16 December 1996).

5. *The Baltic States: A Reference Book* Lithuania Encyclopedia Publishers: 1991, 179.

6. Basanavičius lived from 1851-1927. Due to the policies of repression and russification practised in the nineteenth century, he lived in Bulgaria for 25 years and also in East Prussia, from where, in 1883, he published the first Lithuanian language newspaper "*Ausra*" (Dawn). He used this paper, and later others, as a forum for airing grievances about Russian oppression and the Lithuanians' desire for freedom and independence. Basanavičius chaired the 1905 Vilnius Conference and he remained a popular figure in Lithuania until independence was declared in 1918, liked by all of the main political units. When independence was declared, many Lithuanians wanted him as their first president, but he declined, taking instead the unofficial title "*Tautos Tėvas*" ("Father of the Nation"). (Source: Petras Varkala, interview 8 February 1997.)

7. The importance of these so-called "book leggers" should not be underestimated. Following the restitution of Lithuania's independence in 1990, a number of monuments were erected to honour their achievements. The body of Vincas Bielskus, one of the chief book leggers, was exhumed from his grave in Siberia, to where he had been deported in 1941 and returned to the family estate at Balsupė in 1992, where he was reburied with full ceremonial honours.

8. Harrison, E. *Lithuania Past and Present*, Fisher Unwin: 1922, 88.

9. Historic Resolution, reprinted in Harrison, E. *Lithuania Past and Present*, 68.

10. This was a trait also held by the activists for independence in the late 1980s and early 1990s; repression by Soviet forces served to merely inspire the Lithuanians to continue with their demands, rather than to subdue them.

11. See works by Norman Stone on this subject.

12. Vardys, V. and R. Misiunas. *The Baltic States in Peace and War*, 43-49.

13. Vardys and Misiunas. *The Baltic States in Peace and War*, 54.

14. Vardys and Misiunas. *The Baltic States in Peace and War*, 54.

15. Harrison, E. *Lithuania, 1928*, Hazell, Watson & Viney: 1928, 33.

16. Harrison, E. *Lithuania Past and Present*, 78.



17. Harrison, E. *Lithuania, 1928*, 34.

18. Supporters of Lithuanian independence actively used the western media for the dissemination of information. This was mostly done in Great Britain, where some Lithuanian exiles used professional connections with newspapers such as *The Independent* and *The Financial Times* to either plant articles, make introductions to leading members of Lithuanian nationalist movements or merely to encourage or develop an interest in Lithuanian or Baltic affairs. These helped to keep Lithuania at the forefront of peoples' consciousness, even at a time of international crisis, such as during the Gulf War of 1990-1991.

19. Henderson, N. *Final Report* 7.

20. Wandycz, P. *Soviet-Polish Relations 1917-1921*, Harvard University Press: 1969, 34.

21. Wandycz, P. *The Lands of Partitioned Poland: 1795-1918*, University of Washington Press: 1974, 352.

22. Wandycz, P. *The Lands of Partitioned Poland: 1795-1918*, 354.

23. Konovalov, S. *Russo-Polish Relations*, The Cresset Press: 1945, 33.

24. Vardys and Misiunas. *The Baltic States in Peace and War*, 54.

25. Vardys and Misiunas. *The Baltic States in Peace and War*, 54.

26. Vardys and Misiunas. *The Baltic States in Peace and War*, 57.

27. Vardys and Misiunas. *The Baltic States in Peace and War*, 57.

28. More information on the "Forest Brothers" appears later in this chapter.

29. This was also the case after World War II, where the 4-5 million Lithuanians living outside Lithuania in the West, either emigres or exiles, never ceased in their campaign to restore Lithuania's independence.

30. Vardys and Misiunas. *The Baltic States in Peace and War*, 57.

31. Harrison, E. *Lithuania Past and Present*, 86.

32. Harrison, E. *Lithuania Past and Present*, 84.

33. Historic Resolution as reprinted in Harrison, E. *Lithuania Past and Present*, 89.

34. Von Rauch, G. *The Baltic States*, C. Hurst & Co.: 1974, 40.

35. Von Rauch, G. *The Baltic States*, C. Hurst & Co.: 1974, 41.

36. Harrison, E. *Lithuania, 1928*, 34.

37. Harrison, E. *Lithuania, 1928*, 35.

38. Harrison, E. *Lithuania, 1928*, 36.

39. The *Taryba* was composed of the following delegates: Dr. J. Basanavičius, M. Biržiska, S. Banaitis, H. Bižauskas, Pr. Dovydaitis, St. Kairys, P. Klimas, D. Malinauskas, Doyen Mironas, S. Narutowicz, Petrulis, A. Smetona, J. Smilegevičius, J. Staugaitis, A. Stulginskis, Dr. J. Saulys, K. Saulys, J. Sernas, J. Valokaitis, Dr. J. Vileišis.

Despite the initial Resolution on Independence being passed in December 1917, from its signing and thereafter, 16 February 1918 is taken as being Lithuanian Independence Day. The declaration itself was buried on an estate outside the village of Balsupė, in the South West of the country prior to the initial Soviet occupation. Although the buildings on the estate were removed, divided and then rebuilt in the village, it is believed that the declaration may have survived as it was buried away from the main buildings. The pre-war owners of the estate are in the process of attempting to reclaim the land and will then begin a more comprehensive search for the document as they have a memory of hearing about the location of both the declaration and with it, as so many fleeing Lithuanians tried to do, numerous family heirlooms. Until the land can be reclaimed (or at least the area in which the declaration is believed to be), the family is reluctant to undertake a more comprehensive search for fear that, if discovered, the missing items would be seized by and held in the wrong hands.



40. Gerutis, A. *Independent Lithuania* in Gerutis, A. (ed) *Lithuania: 700 Years*, 177.
41. von Rauch, G. *The Baltic States*, Hurst & Co.: 1974, 104.
42. von Rauch, G. *The Baltic States*, 63-64.
43. Gerutis, A. *Independent Lithuania* in Gerutis, A. (ed) *Lithuania: 700 Years*, 158.
44. Petras Varkala, interview, 3 March 1994.
45. Gerutis, A. *Independent Lithuania* in Gerutis, A. (ed) *Lithuania: 700 Years*, 187.
46. Petras Varkala, interview, 8 February 1997.
47. von Rauch, G. *The Baltic States*, 91.
48. Gerutis, A. in Gerutis, A. (ed) *Lithuania: 700 Years*, 158.
49. Gerutis, A. in Gerutis, A. (ed) *Lithuania: 700 Years*, 214. Smetona and Voldemaras suffered from the fact that the majority of their natural supporters would have come from the intelligentsia, many of whom had emigrated during the period of russification and were therefore not eligible to vote. The majority of Lithuanians were either Christian or Social Democrats and these political orientations were reflected in the composition of the Assembly.
50. Gerutis, A. in Gerutis, A. (ed) *Lithuania: 700 Years*, 217.
51. Gerutis, A. in Gerutis, A. (ed) *Lithuania: 700 Years*, 221.
52. Józef Pilsudski had become the recognised leader of Poland after its independence following the Paris Peace Conference, but post-war Polish politics were extremely unstable and in 1926 Pilsudski seized power in a coup d'état. Although the only official post he held continuously in his Non-Party Bloc For Co-operation With the Government from the date of the coup until his death in 1935 was that of minister of war, Pilsudski was also prime minister from 1926-1928 and in 1930. After his death, Ignacy Moscicki, president of the Republic, and Eduard Rydz-Smigly, commander of the army, became the two dominant figures in Polish politics until the invasion by Germany in September 1939.
53. Gerutis, A. in Gerutis, A. (ed) *Lithuania: 700 Years*, 223.
54. The philosophies which drove Smetana were explained to me by one of his colleagues and acquaintances, Petras Varkala, in an interview on 29 October 1994.
55. von Rauch, G. *The Baltic States*, 164.
56. Hiden, J. and P. Salmon. *The Baltic Nations and Europe*, Longman: 1991, 54.
57. Hiden and Salmon. *The Baltic Nations and Europe*, 54-55.
58. Krikščiūnas, J. *Agriculture in Lithuania*, Lithuanian Chamber of Agriculture: 1938, 4.
59. The backbone of Lithuania's farm network by 1935 was the 64.87 percent of Lithuania's farms which had between 5-100 hectares. They constituted 83.31 percent of the total agricultural land in Lithuania and kept the largest amount of livestock and produced the largest quantities of meat, grain, milk and eggs. Krikščiūnas, J. *Agriculture in Lithuania*, 34-35.
60. The legacy of this stability was to prove most useful when it came to re-introducing the Litas after the restitution of independence. Unlike states such as the Russian Federation, where the exchange rate was many thousands of Rubles to the US\$, Lithuania had an extremely reasonable rate of Lt4:US\$1. (See economics chapter.)
61. Lithuania exported produce to the following states: in Europe: Austria, Belgium, Czechoslovakia, Danzig, France, Germany, Greece, Ireland, Italy, Malta, Portugal, Switzerland, Sweden and the UK; in Africa: Congo, Egypt, Morocco, Tunis; in Asia: Indo-China, Japan, Palestine, Syria; in America: Panama, the USA. Gineitis, K. *Lithuanian Quality Products* K. Gineitis: 1938, 29.
62. *Report of the British Chamber of Commerce* 10. Lithuania's five meat export factories could each handle 600 pigs per day: they were "the most modern and best planned and equipped meat export factories in Europe." Gineitis, K. *Quality Lithuanian Products*, 5. In



1938 Lithuania had 1,300,000 pigs: she was second only to Denmark in number of pigs per capita of Lithuanian inhabitants.

63. Gineitis, K. *Lithuanian Quality Product*, 11.

64. Lithuania had imported cows while still part of the Russian empire: from Denmark, Scotland, Switzerland and Holland. Although there was limited beef production, the majority of Lithuanian cows were for dairy produce. After independence, selective breeding processes amalgamated the Dutch and Danish strains to form a hybrid then mated with native stock. This was an extremely successful process, as Lithuanian butter and other dairy produce became one of Lithuania's principal exports. Krikščiūnas, J. *Agriculture in Lithuania*, 78. In 1936, Lithuania exported 15,070.1 tons of butter and cheese, amounting to US\$5,998.3 million.

65. *Anglo-Lithuanian Trade* December 1937, 8.

In 1938, Lithuania exported the following products: horses, cattle, pigs and pork products, beef, mutton, goose lard, poultry, game, fish and lake lobsters, butter, cheese, eggs, milk powder, tinned milk, honey, potatoes, confectionaries, mushrooms, onions, apples, cranberries, syrups, medicinal plants, malt, rye, wheat, barley, oats, lentils, peas, linseed, fur, hides, feathers, timber, flax, hemp, cardboard, turpentine, yeast, liqueurs, beer, amber.

Lithuania imported: coal, coke, petroleum, iron, tin, lead, copper, aluminium, sulphur, zinc, cement, textiles, wool, cotton, silk, rubber goods, drugs, mineral oils, locomotives, cables, combustion engines, electrical machinery, steam boilers, agricultural and dairy machinery, tractors, motor vehicles, bicycles, scientific instruments, tools, wire, sewing machines, coffee, salt, cocoa, tea, spices, citrus fruits, grapes, herring, sports goods, wireless apparatus, musical instruments, linoleum, optical articles, clocks, paraffin, cork, asbestos, tobacco, china, perfume, wallpaper, asphalt and chalk. (Kineitis, G. *Quality Lithuanian Products*, 64.)

66. Interview with a Danish minister, 15 February 1994.

67. Petras Varkala, interview, 8 February 1997.

68. Interview with Petras Varkala, who was posted to the legation in London in 1936, 29 October 1994.

69. As emphasised repeatedly by Algirdas Saudargas, foreign minister 1991-1992, interview, 22 June 1993.

70. *Lithuania in the World* Vol. 2, No. 2, 8-10.

71. Gerutis, A. in Gerutis, A. (ed) *Lithuania: 700 Years*, 164.

72. Vaičiūnas was one of the best known poets during the inter-war years, in a country which sets great store by literature and the arts.

73. See later chapters.

74. Many of the German people believed Memel to be a part of Germany. The first verse of the version of the German National Anthem (originally written in 1641) sung during the Nazi era contained the line “*von der Maas bis an die Memel, von der Etsch bis an den Belt* . . .” Although only the third verse is currently used, in a letter to Chancellor Kohl in 1991, President von Weizäcker emphasised that “the total, whole song, historically, reflects German unity in all of its verses.”

75. *Ambassadors' Conference Report* February 1923.

76. Documents on German Foreign Policy Vol. V. See 23 March 1939 telegram from Ribbentrop, on board the Battleship Deutschland, to Hitler: “I report the signing of the Treaty with Lithuania reuniting Memel with the Reich.”

77. On 20 March 1939, Lithuanian Minister of Foreign Affairs Juozas Urbšys was received in Berlin by German Foreign Minister Ribbentrop. He was given the alternative of a solution to the Klaipeda and Memel problem by agreement or by force. “On his return to



consult his Government, he was pursued by scarcely veiled threats telephoned by Weizäcker." Thorne, C. *The Approach of War*, Macmillan: 1967, 108. Klaipeda was signed away on 23 March, which was to be "the Führer's last bloodless triumph." (109) See Documents on German Foreign Policy Nos. 399,400,403

78. Hiden and Salmon. *The Baltic Nations and Europe*, 75.

79. Response by Franklin D. Roosevelt to a delegation of Lithuanian-Americans, 15 October 1940, reprinted in Budreckis, A. in Gerutis, A. (ed) *Lithuania: 700 Years*, 389.

80. The 23 August 1939 pact signed between Nazi Germany and Soviet Russia was used by Stalin as a defence mechanism: an attempt to prevent, or temporarily stall, the German invasion of the USSR. Hitler, meanwhile, had forged the alliance to prevent him becoming embroiled in an two-front war. He always intended to invade Russia, which he saw as the natural *Lebensraum* for the Aryan race at the expense of the Slavs. Although the main terms of the pact were that of a co-operative alliance, it was the secret protocols which were responsible for the carving up of Poland and the Baltic States.

81. von Rauch, G. *The Baltic States*, 226.

82. Jonė Brazauskaite, interview, 21 January 1996. Sniečkus did do Lithuania one favour, however. He emphasised the agricultural nature of the state, rather than demanding that Lithuania become a centre of heavy industry. By doing so, he was able to limit the number of ethnic Russians who were settled in Lithuania, which preserved the ethnographic identity of Lithuania, unlike other Soviet Republics such as Estonia, where, as the state industrialised, a large number of Russians were resettled there, forming a sizeable minority.

83. Asta Reklaityte (deportee), interview, 14 July 1988. Over fifty years after the mass deportations, their legacy remains ever-present in Lithuanian society. Both Lithuanians within Lithuania and those abroad still commemorate the deportations annually. In London, for example, there is always a service, held jointly with Latvians and Estonians in either the church of St. Martins-in-the-Fields, Trafalgar Square, or St. James' church, Piccadilly

84. The 9th Fort, on the perimeter of Kaunas, the inter-war Lithuanian capital, was one of the principal killing fields for the Jews of Eastern Europe. Only following the restitution of Lithuania's independence was this officially recognised and a memorial constructed. The Jewish population of Lithuania was virtually eradicated, as 180,000 (94 percent) of the Lithuanian Jews were exterminated in Lithuania or deported West to the concentration camps in Poland and Germany. Fifty percent of the Jewish population of Lithuania emigrated after 1991 and in 1994 there were only 6,000 Jews resident in Lithuania (0.5 percent of the total population of Lithuania). There were but two synagogues, in Vilnius and Kaunas in operation in 1993. The Jewish Quarter in Vilnius Old Town has been renovated and turned into an exclusive residential and commercial area. The Jews who were able to emigrate after 1940 travelled principally to Israel, the USA, Argentina and to the UK, where the descendants of some Lithuanian Jewish emigres have risen to political prominence: Nigel Lawson, Malcom Rifkind, Leon Brittan and Edwina Currie have all held cabinet posts in the 1980s and 1990s.

85. Jonė Brazauskaite, interview, 14 June 1987. She and her immediate family were fortunate enough to be able to flee with the retreating German army as her family knew that they were on a list for deportation to Siberia to join other family members who had been deported in the first wave. She and her parents spent four years living in Austria and Germany before being able to emigrate to the USA. Many Lithuanians were able to escape because the Soviet officials were notoriously bureaucratic: if the person was not at his given address when the Soviets came to arrest him, they were extremely slow about chasing up the fugitives.

86. The Forest Brothers were highly active in all three Baltic States. The movement in



Latvia surrendered first, but those in Lithuania and Estonia lasted until 1953 and 1956, respectively. See Laar, M. *War in the Woods*, The Compass Press: 1992, for the best account of the Estonian fighters. All three states' Forest Brothers benefited from the topography and forestation of their states. The density of the forests was (and is still) so great that they were able to hide from the Soviet forces while waging their guerilla campaign. Even though the Forest Brothers were eventually and inevitably overpowered by the Soviet forces, they had become a great symbol of the Baltic States' desire to oppose their occupation by the USSR and were seen as the heroes of Cold War Lithuania. See Appendix 1 for a detailed example of the activities of one helper of the Forest Brothers.

87. An unusual demonstration of resistance to the Russian occupation was demonstrated by many Lithuanian women: they refused to have their ears pierced, unlike the majority of Russian women. And while young Russian girls wore their hair tied back with organza ribbons, Lithuanian children did not follow their example, deliberately differentiating themselves from their Russian counterparts.

88. Alvidas Šeduikis was one of many ordinary people imprisoned for openly wearing a metal crucifix around his neck. He had received one caution from the authorities in 1972, but the second time he was apprehended a lengthy prison sentence followed and he died shortly after his release in 1987. Interview with his widow, Counsellor Aldutė Šeduikiene of Palanga Town Council, 30 June 1994.

89. Misiunas, R. and R. Tagpera. *The Baltic States, Years of Dependence*, Hurst & Co.: 1993, 199. The Archbishop was exiled to Žagarė in January 1961 "apparently because he expelled two policemen who had infiltrated the seminary in Kaunas and refused Soviet demands to issue orders contrary to canon law."

90. Misiunas and Tagpera. *The Baltic States, Years of Dependence*, 297. Pope John Paul II was finally able to visit Lithuania in 1993. His visit demonstrated his immense popularity among the people of Lithuania. On visiting Lithuania shortly after his visit, I found it remarkable that many of the young people I met had posters of the Pope on their walls in preference even to western rock or film stars. Some of the older generation of Lithuanians I met on that trip said that seeing the Pope finally on Lithuanian soil was such a memorable occasion, second only to the restitution of independence in 1990.

91. Despite opposition from the Communist authorities, a plaque marking the spot of Kalanta's death was placed on Laisvės Allė, where it still remains, nowadays often adorned with flowers as a tribute to those who died in protest against the occupation.

92. This can be best exemplified by reading Maniūsis, J. *Soviet Lithuania, achievements and prospects*, Mintis Publishers: 1977.

93. Sadly many of them were not to live to see the restitution of independence, although their children continued to work on behalf of Lithuania. I personally witnessed many evenings with Jonas Vileišis, son of the member of the original Taryba and Stasys Lozoraitis, among others, in the town of Waterbury, Connecticut, USA in the 1970s, where their return to power was planned. Lozoraitis campaigned for president in 1992, but failed to attract mass support and died in 1994. A similar situation was to happen in the late 1960s-early 1970s when the remains of the Batista regime of Cuba in exile in the USA, the Bahamas and the UK would hold similar meetings around the dinner table, where ministerial portfolios would be handed around, as they were all convinced it was but a matter of time before Castro was overthrown. Many of them also died while at the present time (1998) Fidel Castro remains in power.

94. The Lithuanians had a large stall at the fair run by members of the emigre population of New York and Chicago. It attracted numerous visitors and distributed propaganda in the form of leaflets and "Freedom for the Baltic States" badges to raise public awareness of the



situation in Lithuania.

95. A group of 11 Lithuanian emigres returned for the first time in June 1987. The only way of seeing Lithuania at this time was through a tour arranged by *Intourist*, which meant spending two days in Moscow, then being flown to Vilnius for six days and then returning to Moscow for a further three days. The time spent in Lithuania was carefully structured, with planned visits to Kaunas and Trakai, an historic castle renovated throughout the 1980s. The tourists were also encouraged to visit the Lenin Museum in Vilnius, a mere stone's throw from the hotel where the tourists were billeted, but none of the original group ever did. The visitors were accompanied at most times by a non-Lithuanian speaking *Intourist* guide, plus a Lithuanian interpreter. Free time was very restricted, but those visitors returning to see family were able to see them briefly. It was absolutely forbidden to journey to the coast. One member of this original party who wanted to see an aged Aunt was able to evade the *Intourist* guide for a day and in a complex series of car swapping and staying at "safe houses" managed to get there.

In 1988, when the same group returned for a second visit, the guide was more flexible and more time could be spent visiting family (which was the main reason so many of the tour were returning) and permission was given to go to the coast, although those travelling had to be accompanied by the same guide. On this second visit, however, the group was joined by a young Lithuanian activist from England. He and his wife were subject to continuous KGB harassment, beginning at Leningrad airport, where they were detained for no apparent reason, to being disturbed nightly by frequent telephone calls, to monitor their presence and to cause harassment.

It was not until 1990, however, that it was possible to travel directly to Lithuania, without having to pass through either Moscow or Leningrad.

96. A theory expounded by Dr. Miškinis, Director of Macro Economics, interview, 23 June 1994.

97. White, S. *Gorbachev and After*, Cambridge University Press: 1992, 127-8, 138-9, 246.

98. Butautas, R. *Mūs ū Šaknys*, Amžius: 1994. This book details the history of the Brazauskas family. On a visit to the UK in April 1993, Brazauskas confided to his interpreter, who happened to be a distant relative, how overjoyed he was that Lithuania had managed to break away from the USSR and declare independence.

99. *Perestroika*, in Gorbachev's own words, involved the "democratisation of all public life and a radical economic reform." (White, S. *Political Reform in Historical Perspective* in Merridale, C. and Ward, C. (eds) *Perestroika*, Edward Arnold: 1991, 3. Gorbachev never believed that this would lead to a loss of power by the CPSU, but realised that reforms were vital to prevent total economic collapse. As this book is not concerned solely with the events which caused the fragmentation of the USSR, more detailed descriptions and explanations of *Perestroika* may be found in the numerous texts on the subject published since 1988, not least in Gorbachev's own work, *Perestroika*, William Collins Sons & Co.: 1988.

100. A. Šeduikienė, Deputy of the Palanga Council, interview, 1 July 1994.

101. Gorbachev, M. *Memoirs*, Doubleday: 1996, 301-302. Misiunas and Taagepera. *The Baltic States, Years of Dependence*, 329.

102. Although it was incorporated into legislation discussed in the Supreme Soviet in the winter of 1989 and came into effect on 1 January 1990. Senn, E. *Lithuania Awakening*, 252.

103. Senn, E. *Lithuania Awakening*, 35.

104. Zigmas Brazauskas, environmentalist, interview, 8 July 1988.

105. Senn, E. *Lithuania Awakening*, 51.



106. See Maniūsis, J. *Soviet Lithuania*, which completely omits the Declaration of Independence of 1918 from its list of significant dates in Lithuanian history, as a good example of this.

107. Senn, E. *Lithuania Awakening*, 61-63.

108. Senn, E. *Lithuania Awakening* 70.

109. The bicycle tour was held between 20 June-2 July and was actively supported by the Communist Youth League of Lithuania.

110. A number of Lithuanian flags dating back to the inter-war years had been carefully hidden and preserved. It would have meant punishment, if not imprisonment had they been discovered by Soviet authorities, but some people were prepared to take that risk as their symbol of resistance to the occupation. Other flags were quickly home-made, most being designed simply to be fitted over a pole, rather than having the more complicated system of halliards fitted to enable it to be run up a flag staff. It proved harder than expected to manufacture one's own tricolour, for in traditional Soviet style it was often impossible to find all three colours of material: one could always purchase red fabric, and quite often green, but it could prove extremely difficult to find the yellow. Nonetheless, the Lithuanians were not daunted and on 14 June the tricolour proudly flew on the streets of Vilnius.

111. Sakwa, R. *Soviet Politics*, Routledge: 1991, 97, 267. It actually made Gorbachev more unpopular as vodka, in particular, was considered to be one of the few luxuries available to the common person and a means of escape from the harsh realities of every-day Soviet life.

112. Senn, E. *Lithuania Awakening*, 87.

113. As said to his interpreter, 11 April 1993.

114. It was written by V. Kudirka in 1898 and first performed in 1905.

115. The Vingis park rally was an incredibly highly charged and emotional experience. It was plain to see how this outpouring of nationalism affected Brazauskas: it immediately inspired him to make decisions in areas in which he had no authority.

116. Senn, E. *Lithuania Awakening*, 183-184, on the actual events of the riots in Vilnius.

117. Senn, E. *Lithuania Awakening*, 209.

118. During speeches debating what Lithuania would be able to achieve if given autonomy within the USSR, an anonymous voice in the crowd called out that it was not autonomy within the USSR that Lithuanians actually wanted, but complete independence. Other members of the audience echoed this refrain and the chant of "We want an independent Lithuania!" resounded around the rally.

119. One of the people who formed the human chain voiced the sentiments of many of the participants by telling me that they really thought that there was a realistic chance of physical opposition or retaliation by the Soviet authorities, as had been demonstrated in Tblisi, but that the desire to publicly show the invalidity of the Molotov-Ribbentrop Pact was strong enough to supersede those concerns. All of those who took part in the formation of the chain found it an exceptionally emotional experience. On the morning of the 23rd, people from all parts of Lithuania drove to the proposed path of the chain, which roughly followed the main road linking the Baltic States and began to assemble. At first there were doubts that the chain would be unbroken, but as the day went on and more people arrived, the chain was, in fact, duplicated and triplicated along certain stretches. It was a highly successful move on the part of Sajūdis, Tautas Fronte and the Latvian Way, which attracted a significant amount of international media coverage.

120. B.B.C. Television. *The Second Russian Revolution: Breaking Ranks*, 1991.

121. Churchill, W. in a speech at Fulton, Missouri, 6 April 1946. "From Stettin in the



Baltic to Trieste in the Adriatic, an Iron Curtain has been drawn across Europe.”

122. B.B.C. Television. *The Second Russian Revolution: Breaking Ranks*, 1991.

123. B.B.C. Television. *The Second Russian Revolution: Breaking Ranks*, 1991.

124. B.B.C. Television. *The Second Russian Revolution: Breaking Ranks*, 1991.

125. B.B.C. Television. *The Second Russian Revolution: Breaking Ranks*, 1991.

126. As said to demonstrators on Lenin Prospect.

127. B.B.C. Television. *The Second Russian Revolution: Breaking Ranks*, 1991.

128. See Appendix 2 for the results of the February 1990 elections. Although Landsbergis was the Chairman of Sajūdis, in terms of popularity, he was only “first among equals”. (Lieven, A. *The Baltic Revolution*, 231.)

129. B.B.C. Television. *The Second Russian Revolution: Breaking Ranks*, 1991.

130. One of the first (non-media) westerners who returned in November found that life was proceeding as normally as possible. There was limited heat and only hot water on occasional days, but the people were at this stage still determined not to return to the USSR.

131. The view of a number of Lithuanians, in a private debate during July 1994.

132. Law on Citizenship, 1990.

133. The Government of Iceland formally recognised Lithuania on 23 August 1990.

134. See the *Financial Times*, 24 and 25 April 1990, for example. “The US has wanted to avoid any . . . action which would . . . affect the current wide-ranging arms control talks between the US and the Soviet Union.” (25 April 1990)

135. Official Lithuanian statistics from the Ministry of Information, Vilnius.

136. Bridget Kendall, interview, 8 February 1994. Her views were also supported by Ben Brown of the BBC, Adrian Bridge and Tony Barber of *The Independent*, Leyla Boulton and John Lloyd of the *Financial Times* and Joseph Joffe of *Süddeutsche Zeitung* in interviews throughout 1994-1996.

137. Government statements. Secretary of State Cheyne told Shevarnadze “Please remember, the President can’t handle too many dead Lithuanians.” 16 January 1991. This was a demonstration of the special status of Lithuania. While massacres in Georgia were disapproved of, there was never any forcible action taken against Moscow. With Lithuanians, in contrast, who were perceived to be European, such behaviour would not be tolerated. There was the feeling that if Gorbachev was prepared to use force on seceding Lithuanians, there was the danger that equal force might be used on the former satellite states which had also broken away. The U.S. Government in particular, was also conscious of the feelings of its significant Lithuanian population. In some urban areas, such as around Boston, New York or Chicago, American citizens were far more concerned with events in the Baltic than with the Gulf War and the U.S. Government had to take those sentiments into account.

138. There was also a military suppression of the Latvian independence seekers on the nights of 14-15 January. Six were killed and scores injured as Soviet forces attempted to seize power. As in Lithuania, the presence of the western media may well have prevented further bloodshed, and the events were captured on film, which served to discredit Gorbachev still further, as it was also suggested that the Latvians had provoked the Soviet troops.

139. Report of the General Prosecutor. July 1991.



## Chapter 2

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# Lithuanian Domestic Policy

*“The Pitfalls of Incumbency”*<sup>1</sup>

In the elections of October 1992 the Lithuanian Democratic Labour Party (LDLP), the former Communists headed by Algirdas Brazauskas, won a resounding victory over Sajūdis, the party which had demanded and achieved independence from the USSR.<sup>2</sup> It was a victory which the majority of Lithuanians could not have foreseen or contemplated when the restitution of independence had been declared in March 1990. Yet four years after this electoral triumph, the LDLP was also voted out of office to be replaced by a coalition government of those who had been so comprehensively defeated by it in 1992.

The post-independence government led by Vytautas Landsbergis, vilified in 1992, had been re-elected. The first years of independence were thus characterised by a constant shift in public attitudes towards the government and politics. As ordinary Lithuanians struggled to cope with the economic and social difficulties of post-Soviet transition, their political allegiances rested with whoever, it was believed, would provide the means of government that would be to their greatest advantage, rather than with whoever's political ideology was closest to their own.

During the inter-war years, prior to the 1926 coup, many Lithuanians had supported right-wing, conservative groups, which were allied with the Catholic Church, such as the Christian Democratic Bloc, and the authoritarian rule of Smetona had also been right-wing in persuasion. In the first elections to the Constituent Assembly in 1920, the second most represented group had been the



Peasant Union and Socialist Populist Bloc, which, despite its name, was a left-of-centre liberal faction. Third was the Social Democratic Party.<sup>1</sup> During the occupation, however, these factions were united against a common enemy and the inter-party differences were put aside. After independence, many of those who had been alive in the inter-war years, those who held small plots of land and members of the Church supported Sąjūdis, which had assumed the mantle of the inter-war right-wing parties. Those who had known nothing but Communism, continued to advocate Brazauskas and the LDPF.<sup>2</sup> But when Sąjūdis failed to deliver its promises of economic prosperity and the restoration of property, political allegiances were abandoned.

With the re-election of the LDPF, the former Communist Party, in 1991, Lithuania set a trend which was to be echoed throughout central and eastern Europe. As well as in Poland and Hungary, the electorates in a majority of the states created by the breakup of the USSR had voted back into power former Communists by 1994.<sup>3</sup> To many western observers this concept seemed peculiar, as they had fought so hard and for so long to be rid of Communism. However, to Lithuanians and, indeed, to the people of the other states which followed this trend, it was an attempt to elect, democratically, an effective government which could alleviate some of the hardships resulting from the breakup of the USSR, it was to be, according to the *Ekonomistas*, "a return, but not a return" of Communist power.<sup>4</sup>

The election of the ex-Communists was not, generally, a call for the loss of Lithuania's independence and the restoration of the USSR but it was hoped that the former Communists, many of whom were professional, experienced politicians with administrative experience, would offer more efficient government than a cabinet composed of well-intentioned academics and enthusiasts. "When Communism collapsed and free elections followed, democrats could offer what most voters wanted at the time: untarnished pasts. Since then purity has come to look like mere inexperience," indicated the *Ekonomistas* in 1994.

And it was experience in government, so lacking in members of Sąjūdis, which was offered by Brazauskas' LDPF in the autumn of 1991. The members of the LDPF, largely former Communists, had advanced through the echelons of Communist Party bureaucracy, in the course of which they had learned the techniques of administration and how to operate the levers of power. Some, such as the senior foreign ministry official, Justas Paleckis, formerly ideology chief of the Communist Party of Lithuania (CPL), had held high positions in the Communist Party of the Soviet Union (CPSU) in Moscow for many years. Others, such as Brazauskas himself, had remained in Lithuania and had advanced through the local party structure. But regardless of where their formative years in the party structure had been spent, members of the LDPF had often developed connections with senior bureaucrats in Moscow and had maintained these connections after Lithuania's independence had been restored.

These bureaucrats had learned how to create and implement policy, how to run government departments and how to work with the officials in Moscow. This is not



to say that their methods were always effective; in fact the inherent characteristics of a bureaucratic society ensured that often these methods were thoroughly ineffective and counter-productive. This was due either to the degree of self-interest, the dislike of responsibility, the reluctance to use one's initiative or the loss of one's critical faculties which typified bureaucratic societies.<sup>8</sup> But some experience in dealing with Soviet and Russian functionaries was, in this case, better than no experience whatsoever. The only administrative experience of some of the Sajūdis ministers had been in liaising with different faculties of the universities from where they had often been recruited, or from working with numerous, small opposition groups.<sup>9</sup>

Sajūdis had swept to victory in February 1990 on the platform of total independence from Moscow and the USSR,<sup>10</sup> but within months of the unequivocal recognition of Lithuania's independence, many Lithuanians began to realise that it would be neither possible nor feasible to break away completely from the Russian Federation. Lithuania was still too reliant on it for its energy, fuel, food-stuffs and trade,<sup>11</sup> and there were still Russian troops on Lithuanian soil. Furthermore, western Europe, and the European Union in particular, towards whom Lithuania was turning, was not, as had been hoped prior to the restitution of independence, yet ready to welcome Lithuania with open arms.

Brazauskas and members of the CPL were able to highlight their years of experience in dealing with Moscow in their election campaign. On election night Brazauskas was recorded as saying "I have thirty years of experience in dealing with the Moscow bureaucracy. I know how things work there. I won't get lost in those Moscow corridors."<sup>12</sup> Many Lithuanians were reluctantly forced to admit that despite their dislike and distrust of Moscow, they could not afford to alienate the Russians or abandon all links with the former USSR. Therefore they voted for the LDLP as the party which could best deal with Moscow without relinquishing Lithuania's independence.

Landsbergis' adamant refusal to negotiate with Moscow, despite the election of Boris Yeltsin (who had campaigned for an independent Lithuania in 1990-1991<sup>13</sup>) following the collapse of the USSR, led to a critical stalemate in the first two years of independence. It contributed little to the development of Lithuania and merely served to turn voters away from him and his party towards Brazauskas and the LDLP. Landsbergis was perceived as "inexperienced and inept in domestic affairs"<sup>14</sup> and in his dealings with Russia. The election of Brazauskas signified "disappointment with Sajūdis [and Landsbergis in particular] for unfulfilled hopes and expectations."<sup>15</sup>

Voting for the LDLP in 1992 was also an expression of desire on the part of some Lithuanians (mostly those born post-1945 and who had never known independence or capitalism) to return to the old, familiar system of government practised by the USSR.<sup>16</sup> The worsening economic situation in Lithuania and the upheavals caused by the breakup of the USSR led to increasing discontent among the electorate<sup>17</sup> and took support away from Sajūdis. Throughout 1992 there was a



growing public perception of the LDLP as the “party to ease the trauma of economic collapse.”<sup>18</sup> Even those Lithuanians who did not want a return to the old Communist regime felt more comfortable supporting Brazauskas than many of the Sajūdis candidates because of his commitment to continue along the path towards a market economy.

The LDLP was further advantaged because of the fragmentation of the Sajūdis movement after the recognition of Lithuania’s independence. With the benefit of hindsight this was an inevitable occurrence. The members of Sajūdis had been united behind a single goal: the unequivocal restoration of Lithuania’s independence, but once it had been achieved, the diversity of the Sajūdis membership became apparent. This was typical of “umbrella” movements. Similar organisations, such as Civic Forum in Czechoslovakia and Neue Forum in East Germany, also collapsed once their main goal had been achieved. Individual members of Sajūdis had different ideas about the actual process of government and had contrasting priorities which were to lead to the infighting which characterised the years of the Sajūdis government. Thus numerous small parties were created by disaffected Sajūdis members. In the first flush of enthusiasm after independence had been restored, many members of the *Seimas* wanted their exact, particular views reflected by Sajūdis. When this was not done, the members often created a new political party, even if their differences of opinion were only slight. These parties became so abundant that it was inevitable that none of them could, individually, gain a sufficient majority in the 1992 elections to remain in government.<sup>19</sup>

Unlike the fractured and disintegrating Sajūdis movement, the LDLP presented a cohesive and familiar front to the Lithuanian electorate. The party made use of the connections developed under the Soviet regime to campaign effectively throughout Lithuania and capitalise on the factors which brought them increasing popularity even among conservative, nationalistic Lithuanians who might naturally have been thought of as Landsbergis supporters. With clear policy statements concerning the economy and social issues, the voters knew what they could expect by electing a united LDLP. The party pledged to continue policies to “strengthen Lithuania’s full independence, . . . concentrate on the economic situation . . . especially agriculture, and would not reverse Lithuania’s free market reforms. Democracy was not endangered.”<sup>20</sup>

It is highly probable, however, that without the charismatic Algirdas Brazauskas at its head, the LDLP would not have provided the effective opposition to Sajūdis which resulted in its election in 1992. Many other members of the LDLP were the ultimate “grey men”—Communist *apparatchik* bureaucrats lacking in the western-style public personae which would attract the electorate. A key reason for the LDLP’s victory in 1992 was because the election campaign placed great emphasis on the personalities of the two main leaders. Many Lithuanians voted for the LDLP because of the presence of Brazauskas, and they did not vote for what remained of Sajūdis because of its identification with Landsbergis.<sup>21</sup>

Although Brazauskas, by 1988, had risen through the ranks of the Communist



Party of Lithuania to its highest possible level, first secretary and chairman of the supreme council, it was his commitment to Lithuanian nationalism which won him popular support. He offered a benign, practical form of nationalism, advocating independence (and post-1990 the maintenance of this independence). At the same time, however, he refused to jeopardise Lithuania's economic development and political rebirth by completely alienating those opposed to Lithuania's departure from the USSR and the Russians who supplied Lithuania with both the goods she required and by far the largest market for her exportable produce.

A son of a large, nationalistic family, Brazauskas used this identity to portray himself as the best candidate to guide his country through the period of transition: as one who was determined to ensure the continuation of independence yet was the best suited to govern and develop the necessary international relations. Throughout the period under discussion, Brazauskas' popularity remained high even as the popularity of his party and of some of its leading members eventually declined. He was a charismatic, populist orator, unlike the professorial Landsbergis, and instinctively appealed to most sectors of society.<sup>22</sup>

It was this popularity which also ensured Brazauskas' presidential election victory in February 1993. There was only one other candidate, Stasys Lozoraitis, an emigre who had only ever spent a few weeks in Lithuania. Lozoraitis was unable to convince the Lithuanian electorate that he would make a better president with a greater knowledge of Lithuanian affairs and the problems to be faced during her rebirth than the incumbent Brazauskas. He did, however, play on the sense of continuity he could bring to independent Lithuanian history: his father, also named Stasys Lozoraitis, had been foreign minister until 1940 and Lozoraitis Jnr. took over his father's mantle as the representative of the legitimate Lithuanian government (in exile) upon his father's death. He was accredited to both the Vatican and the USA until his own death in 1994. But in an era of economic hardship and transition, this did not win him any extra votes,<sup>23</sup> and Brazauskas' popularity earned him 60 percent of the popular vote to Lozoraitis' respectable 38 percent.<sup>24</sup>

Loss of his own popularity was one of many reasons for the defeat of Vytautas Landsbergis' party in 1992, for although Brazauskas should be given some of the credit for winning the election, Landsbergis and Sajūdis most definitely lost popular support and therefore government. Apart from widely-publicised media attacks on some leading Sajūdis members, such as former Prime Minister Kazimiera Prunskiene, which greatly influenced the electorate, there were some significant policy failings, which are discussed below.

It was unfortunate for Sajūdis that they were also held responsible for all the intrinsic difficulties (such as unemployment and job insecurity, inflation, loss of markets for Lithuanian products) encountered by the Lithuanian people during their first years in government, and many of the electorate expressed their dissatisfaction with these problems and therefore with Sajūdis in the ballot box. This, however, was a practice seen throughout the first years of Lithuania's rebirth: dissatisfaction with



the progress of reform also led to the defeat of the LDLP in 1996.<sup>25</sup>

Landsbergis himself, however, must take much of the blame for the defeat of his party. On the achievement of recognised independence, Landsbergis was in a position to consolidate his popularity and use it to the country's best advantage. He had been lauded in the West, by the global media, and also by the Lithuanian people as the architect of Lithuania's drive for independence. But upon the restitution of this independence, it may be argued that Landsbergis allowed this sense of importance to overpower him and distract him from proceeding along a path to reform as he tried to increase his power and his prestige and became increasingly radical in the process.

Throughout the 1991-1992 period he tried to portray himself as the sole restorer of Lithuania's independence, recalling the illustriousness and prominence of his ancestors who had been responsible for the codification of the Lithuanian language. Although feted by western governments, who accepted him certainly as one of the key players in Lithuania's rebirth, by doing so, Landsbergis managed to alienate not only the majority of the people, but also some of his original political allies. To cement his image as both Lithuania's political and spiritual leader, Landsbergis used the media<sup>26</sup> to depict him as such: there were frequent pictures of him in national dress in his attempt to be seen, like previous figures before him, such as Jonas Basanavičius, as the Father of the Lithuanian People and thus ensure his place in Lithuanian culture and history.<sup>27</sup>

Landsbergis' personal vanity therefore, was to contribute to his downfall. His stubborn refusal to listen to others' advice, whether in Lithuania or abroad, lost him support and created distinct factions opposed to him. After the restitution of independence, Landsbergis aimed to be elected president, but many Lithuanians were hostile to his idea of a president because of the corruption of this office by the authoritarian Smetona during the inter-war years. Thus opposition to the idea of an extremely powerful presidency became directly connected with opposition to Landsbergis, yet Landsbergis himself refused to recognise this.

As this opposition grew, and increasing numbers of supporters were alienated, Landsbergis was forced to ally with some of the far-right-wing political factions, such as the Liberty League. This created a vicious circle as even more Centrist supporters turned against him. Further support for Landsbergis was lost as his post-independence style of government involved denouncing his political opponents as being in the employ of Moscow and the KGB.<sup>28</sup> This was an unpleasant and unprofessional style of operation which continued throughout his period in opposition, but it was a tactic not approved of by the majority of the more pragmatic Lithuanians. They felt that in most cases the Communist past was entitled to remain in the past and that it was more beneficial to look to the future.

Both the 1992 and 1996 elections were influenced by unspoken thoughts and feelings which were widely shared by the populace.<sup>29</sup> In the case of the 1992 election, the underlying feeling was of resentment of the attitudes of Landsbergis and his supporters and widespread disappointment in the atmosphere that they had



created. Landsbergis' conservatives campaigned on moral grounds, taking the attitude that only those who had actively crusaded against the Soviet regime were true Lithuanian nationalists and everyone else was a sympathiser or supporter of the Communist ruling party. They appeared excessively nationalistic and radical and were eager to blame those who had lived as normal human beings under the Soviet regime for the mistakes of the past and to glorify the dissidents who had been more outspoken.<sup>30</sup>

But although the majority of Lithuanians were certainly highly nationalistic (as reflected in the votes awarded to Sajūdis in the February 1990 elections<sup>31</sup> and the vocal support for the restitution of Lithuania's independence from 1988), in the face of Soviet repression, most Lithuanians had, like the populations of the other former Soviet republics and satellite states, conformed with the regime in order to survive. They were, therefore, extremely hurt by the accusations of Landsbergis and his supporters that they were, to all intents, collaborators with the Soviet authorities. This type of sentiment was rarely voiced in public during the run-up to the 1992 elections, (this reticence also being a legacy of the Soviet years of occupation) but in the privacy of people's homes, it was an opinion which was frequently offered.<sup>32</sup>

In a further effort to regain some of the mass support he had enjoyed in 1990-1991, Landsbergis made a number of foreign trips abroad. Some were necessary, such as his visit to New York in September 1991 on the occasion of Lithuania's admission into the United Nations, or his visit to the UK in April 1992 to ensure the return of Lithuania's gold held since before World War II by the Bank of England. By making these journeys, Landsbergis' popularity in Lithuania was indeed boosted, as it was felt by many Lithuanians that he was raising Lithuania's profile, which would encourage and benefit investment from abroad and continue to retain foreign interest in the country. Landsbergis was also seen, suggests Jonė Brazauskaite, who accompanied him on his visit to the UK, as "the acceptable face of Lithuania" in much the same way as Gorbachev had been the acceptable face of Communism in the West.<sup>33</sup>

Other overseas visits, however, such as to Japan, South Africa or Italy, received less support from the Lithuanian electorate. The visits were perceived by both Lithuania's politicians and the public as being entirely unnecessary, overly expensive and of little benefit to Lithuania.<sup>34</sup> While Landsbergis continued to receive warm welcomes from the states which he visited, as he was hailed as the leader of the Lithuanian independence movement, the visits were to do little to raise his popularity at home. A direct parallel may be drawn with Soviet leader Mikhail Gorbachev who, in the last years of the existence of the USSR was infinitely more popular abroad than at home.

In Lithuania, a highly religious nation, a traditional method of bolstering popularity throughout the course of her history had been by allying with the Church. In the 1920s and 1930s the Church had formed an influential faction in the political arena and had played a key role in supporting the government. After the



restitution of independence, many clerics wanted to take a similar role in politics. Yet Landsbergis increasingly tried to link the church purely with Sajūdis. Many priests became too actively involved in Landsbergis' campaigns and this alienated the electorate still further. They felt there was undue pressure on them to support Landsbergis, just as they were beginning to become used to the idea of democracy and a free vote.<sup>35</sup> The LDLP, in contrast, emphasised the vital role for the Church in Lithuania but supported the "principle of separateness of the State and Church."<sup>36</sup>

Yet perhaps Landsbergis could have been forgiven for wanting to strengthen his power had he proved himself to be a truly worthy leader of newly-independent Lithuania. But while he had, without question, made an excellent commander during the period of repression by Moscow, offering a calm and solid resistance, when it came to government, his background as a Professor of Musicology left him ill-equipped for the process of running Lithuania. Landsbergis' principal intention was to irreversibly destroy the Communist structures within Lithuania. Under his leadership Sajūdis had few defined policies, except on the environment, even running for the 1992 elections with no clear policy manifesto.<sup>37</sup> In the critical first two years of independence, therefore, Lithuania floundered and the hopes of the people for prosperity and not just an independent democracy were dashed.

For upon the assumption of independent statehood, the Sajūdis government needed to implement policies that would aid in the reconstruction and rebirth of an independent Lithuania. But the situation in Lithuania in 1991 was dire. Most critically the economy had to be restructured and transformed from a centralist, planned structure to a market system. One of the most crucial aspects of this was to inaugurate a policy of land reform.<sup>38</sup> But Sajūdis also had to tackle the unemployment that would be an inevitable part of economic transition, and grapple with other social issues such as healthcare. The increase in crime and corruption which had characterised the dying years of the USSR also required attention. For Sajūdis to govern, Lithuania's new constitution needed to be approved and passed by the *Seimas* as a replacement for the now inapplicable Soviet code. Failure to complete any of these tasks was a core reason for Sajūdis' downfall in October 1992.

Sajūdis' failure to produce the constitution needed so desperately to fill the vacuum created by the collapse of the USSR was a dreadful mistake. After the first independent elections in 1990, the Supreme Soviet re-established the Constitution of 1938. Immediately afterwards they adopted the Provisional Fundamental Law as an interim measure until a new constitution could be promulgated. As the party became dominated by petty infighting after independence was restored, no consensus was reached on what, exactly, should be in the constitution, or on which nation's constitution it should be modelled. In the new constitution, Landsbergis tried to give the president great powers over foreign affairs and defence, but this caused dissension among the politicians working on the new constitution. They felt that the constitution was being created for him personally and therefore they



managed to delay it until after the October 1992 elections. As a direct result, Lithuania remained without a modern constitution until the election of Brazauskas' LDLP.<sup>39</sup>

The restitution of property to its pre-Soviet occupation owners and the introduction of a policy of land reform was also a definite priority. It was, however, an extremely complicated process which hindered the creation of any workable policies. Agricultural land which had been confiscated during the Soviet occupation had been either subdivided into smaller lots or turned into collectives. Under Gorbachev's policy of *Perestroika*, workers on the collectives had been allowed to farm individual plots for their own benefit. At the start of the Soviet occupation, many Lithuanians were resettled on large agricultural properties, the owners of which had frequently fled to the West, been deported to Siberia, imprisoned or murdered. The occupation lasted 50 years, and this was sufficient time for at least two generations to have settled on the land and in certain properties.

It was to come as a great shock, therefore, when after the restitution of independence and the government's announcement of its commitment to returning Lithuania to a market economy, former owners of many of Lithuania's individual properties resurfaced and demanded either the restitution of their property or ample compensation for its loss. In some cases, the former owners no longer held actual title deeds to the property, having lost their possessions during World War 2 and the occupation. Some fortunate people did, however, manage to retain these deeds and they expected that their property would be returned to them.<sup>40</sup>

Decisions needed to be made on the resettlement of the Soviet-era tenants, which would be inevitable, and how to award compensation to the title-holder if the land could not be returned. This would not only encompass actual places of residence, but also, in the case of farming communities, provision of alternative labour for the Soviet tenants if the previous owners were to decide to farm their property themselves, or were to provide their own source of labour. The Sajūdis Government realised that there were numerous vested interests in the policy of property restitution and land reform and tried to understand all of the different demands being made on them, especially the conflict between former owners and the current residents.

This was not only the case in the agricultural sector. There were also great conflicts regarding urban residential, business and industrial property reform. Those who had lost their homes or businesses during the Soviet occupation wanted to be offered either their return (where possible) or alternative accommodation. Yet what was to be done with the tenants who had taken over the property in the interim years? How could the government offer a family who had lost their spacious and elegant apartment in the centre of Kaunas a cramped flat in a Soviet-built tower block in one of the monolithic suburbs which had evolved under Soviet planning? Would that be considered adequate or fair compensation?<sup>41</sup> If people were allocated a similar, pre-war apartment, who could predict whether the original



owners would resurface? There were as many differing interests in the urban sector as in the agricultural sphere. Dominating all of the above criteria was the desire for Lithuania's property to remain in Lithuania's possession and not to be bought out by wealthy foreigners who could be perceived as lording it over the poorer Lithuanians. These were the problems with which the successive post-Soviet governments had to deal.

Therefore, one of the first pieces of legislation passed by the Sajūdis government was on the restoration of Lithuanian citizenship to persons requesting it. The initial law, passed in 1991, restored Lithuania's citizenship to those who had emigrated or fled during World War II or the Soviet occupation.<sup>42</sup> Direct descendants of Lithuanian citizens were also entitled to claim citizenship. There was, however, a fundamental drawback to this law. Those persons wishing to reclaim citizenship had to renounce the citizenship of their adopted country. For the 812,000 Lithuanians living in the USA especially, this would be an extremely difficult decision to make. US citizenship is prized around the world and few Lithuanians were willing to relinquish it to gain the citizenship of a country whose independence was determined by the whims of other states.

Although many Lithuanians wished for the restoration of their citizenship and to possess a Lithuanian passport, they wanted to hold it in conjunction with the citizenship of their new country.<sup>43</sup> Landsbergis' government, however, stubbornly insisted that Lithuanian citizenship would only be awarded upon the renunciation of all other states' citizenship. This angered many Lithuanian emigres, who had made new lives and new homes for themselves since their exodus, but still wanted to express their Lithuanian national identity.<sup>44</sup> It was also to cause numerous difficulties regarding the process of land reform and the restitution of property.

Due to the unforeseen speed with which independence was achieved, the laws governing land reform and the restitution of property were rushed into place by the Landsbergis government, who wished to be seen to be acting quickly to re-establish an independent Lithuanian state. The Law on the Procedure and Conditions of the Restoration of the Rights of Ownership to the Existing Real Property was passed on 18 June 1991 and coupled with a Resolution Regarding the Process of Enforcement and Application of the Law of the Republic of Lithuania on the Procedures and Conditions of the Restoration of Ownership Rights on 16 July 1991. Both of these were passed before there had been international recognition of Lithuania's independence, reflecting the importance with which they were held by so many Lithuanians.

In accordance with the 18 June 1991 law, the right of real property ownership would be restored either "by giving over the actual property, or the equivalent . . . or by financially compensating the persons."<sup>45</sup> Restitution would be granted to the original owner, spouse, child or parents provided they were certified citizens and permanent residents of the Republic of Lithuania.<sup>46</sup> Already before Lithuania had received international recognition of her independence, the issue of citizenship had arisen and the first problems emerged: so many of the direct descendants of



former property owners had fled into exile and were no longer either permanent residents or citizens of Lithuania. Chapter 2 of the law confirmed the need for all returned agricultural property to remain in active agricultural service.<sup>47</sup> This was widely approved of by the Lithuanian people, as it was expected that this would give their economy the much-needed boost and be a real asset in the inaugural period of economic transition.<sup>48</sup>

In urban areas, land would be allocated free of charge for the construction of a private house. The size and location of the plot would be determined by the government of Lithuania. This clause was ripe for abuse: those with government connections inevitably received land in the more attractive areas.<sup>49</sup> Where pre-war houses existed, the owners would be entitled to their return. Forest areas were also available for restitution, provided the former owners adhered to state plans for the forestation of Lithuania. Pre-war industrial and commercial ventures were also to be restored to former owners, or sold by allotting shares.<sup>50</sup>

With all of these cases, compensation was offered if, for any reason, the property could not be restored, or if only part of the property was available. Under the Soviet administration, larger properties were often subdivided, and this made it considerably harder to return it to its original owners. Compensation was also offered, according to Chapters 3 and 4 of the law, for cases where the land had been subsumed by transport or industrial infrastructure or turned into a military base. Compensation was also available for former owners of land flooded during the construction of the *Kauno Maré* and other hydro-related projects.<sup>51</sup> The offers of compensation proved attractive to both former owners and soon-to-be-dislocated tenants, but even after international recognition of Lithuania's independence, when the real process of government began, it was not forthcoming as promised in the legislation.

The first amendments to the law were made in the resolution of 16 July 1991. Lithuania's numerous deportees and their children were exempted from the vital status of permanent residency. Further amendments were made to cover the status of existing tenants on contested property, to define "ownership" in greater detail and to expand on the issue of compensation.<sup>52</sup> While the resolution solved some of the problems which arose with the drafting of the new law, other areas were left pending for the government to settle, such as the procedure by which residential houses and industrial or commercial installations would be handed over.<sup>53</sup> This was to create difficulties for the government and, when it failed to meet the challenges posed by the complications of property restitution, to heighten its unpopularity.

The law on land reform was passed by the *Seimas* on 25 July 1991, also before there had been international recognition of the restitution of Lithuania's independence. The law covered the area of private land: the restitution or purchase thereof and state land. State land unavailable for purchase included land under roads, airports and ports, land along Lithuania's borders and needed for territorial defence; land needed for public use or allocated for allotment to educational facilities; land assigned for the plantation of forests or containing mineral facilities



and land where economic activities were prohibited under law.<sup>54</sup>

In accordance with the law, land reform was to be implemented by the Agrarian Reform Commission run by the Ministry of Agriculture which was tasked with establishing agrarian reform agencies to enact the reform and to take requests from people wishing for the restitution of their property.<sup>55</sup> The law also covered the Land Exploitation Organisation. It was the introduction of the agrarian reform agencies which was to trigger the conflicts surrounding the whole procedure of land reform. These agencies were to create so many of the difficulties regarding property restitution, as they handled the applications for compensation or return of property. It was inevitable, therefore, that this law could not be enacted as written, and despite being promulgated by the *Seimas*, revisions were inevitable. They were not to be made by the Landsbergis government, which failed to reach a consensus on what articles of the law needed modification. This was both a core reason for its defeat in 1992 and an obstruction to Lithuania's regeneration. The whole area of land reform was a factor which the elected LDLP would have to tackle upon its re-election because of its importance to the development of Lithuania's economy.

Upon the restitution of independence, Sajūdis members highlighted their commitment to the social welfare of the Lithuanian people. Despite deserting the USSR, the Lithuanians were committed to retaining the beneficial aspects of the welfare state. Saulius Pečeliūnas supported a policy of full employment and Rimantas Smetona advocated guaranteed payments for illness, disablement, unemployment, maternity leave and old age. Aloyzas Sakalas proposed a policy of optional extra private health insurance as practised in western states.<sup>56</sup> These policies were all commendable in theory, but due to the worsening economic situation caused by the breaking away from the USSR, while the payments were offered, they amounted to very little in actual monetary value. Like so many of Sajūdis' policies, their promises regarding social policies were wildly ambitious and when they failed to be kept led to increasing dissatisfaction with the administration.

Some of the challenges facing Lithuania in the early years of its independence could have been met more easily had full use been made of the significant emigre community outside Lithuania, many of whom were eager to assist in the reconstruction of their country. Rita Dapkutė was one of a few American Lithuanians welcomed back by the Landsbergis government: she became Landsbergis' personal advisor.<sup>57</sup> But despite the willingness of the emigre community, far less use was made of them in comparison to Latvia and Estonia, where emigres were welcomed back and their skills were used to assist in the process of reconstruction. No government official, in either the Landsbergis or LDLP administrations, was prepared to either acknowledge or justify this fact.

This has proven to be a tragedy for Lithuania. Prior to the restitution of independence, there had been a thriving and active emigre community, many members of which were eager to aid their country in its rebirth. Instead, all they faced were obstructions: they were either unable to acquire citizenship, as discussed above, or their offers of assistance were flatly refused. Alienation of the



emigre community has without a doubt been a brake on Lithuania's redevelopment in the post-Soviet years. This is especially apparent when comparing Lithuania to Latvia or Estonia.<sup>58</sup>

Failure to inaugurate comprehensive policies to reconstruct Lithuania was not the only inadequacy of the governing party. Some factions within Sajūdis launched a policy of deliberately obstructing the process of creating legislation by paralysing the *Seimas*. They walked out of the chamber when they wished to block the passing of bills and thereby ensured that the required quorum was not reached. Other tactics included holding separate meetings outside the chamber, which discredited the legitimacy of the *Seimas*. This petty behaviour was also apparent in the amount of infighting within Sajūdis, which led to the fragmentation of the party and ultimately to its defeat in 1992.<sup>59</sup>

The few remaining members of Sajūdis were, however, further hampered by their complete lack of experience of being in government. This was by no means unique to Lithuania: throughout the former USSR and its associated sphere of influence, governments were elected in the immediate aftermath of independence because they had no links with the Communists, that is, they were untarnished by the past regimes. But because it had only been Communists who had been employed in the governmental bureaucracy during the old regimes, their successors had little idea how to administrate and govern, being more concerned with personal petty squabbles and infighting than with presenting a comprehensive political agenda. "Inexperienced in democratic parliamentary procedures, [they] adopted rules on quorums and voting to engage in group abuse, dilatory tactics, and individual obstruction of due process."<sup>60</sup>

No matter how ineffective they were in government, Sajūdis members were also hindered during those first years of independence by the prevailing climate of social and economic hardship, a climate which affected the region of the entire former USSR and its satellite states. New democratic values became relatively unimportant to a majority of people as their living standards deteriorated to an extent unseen during the years of Soviet occupation.<sup>61</sup>

Demonstrating his commitment to upholding democracy, despite the worsening economic situation, Landsbergis called numerous referenda. On 23 May 1992 there was a referendum on the institution of the President of the Republic of Lithuania. On 14 June 1992 over 68% of eligible voters voted in favour of the unconditional and immediate withdrawal of troops of the former USSR presently under Russian jurisdiction from the territory of Lithuania and on compensation for damages to the Republic. On 13 October 1992 there was a further referendum on the Constitution of the Republic of Lithuania and on the law of enforcement of the Constitution.<sup>62</sup> But the frequency of such referenda limited their impact and led to a wave of apathy among the electorate, particularly as they failed to produce conclusive results. The voters who did participate in the referenda often, as in the case of the one on the creation of a president, resorted to other tactics, such as spoiling ballot papers. This was a means of protesting against what was seen as the inefficiency



and incompetence of the regime, despite still supporting the idea of a free vote.

The electorate were not only actively protesting against incompetence, however. They were, in some cases, demonstrating the effect of the Soviet occupation, including the consequences of the imposition of a communal society. People often unknowingly reacted against the new system of government as it was felt that there was little benefit for them as individuals in the new democracy. Therefore electoral turnout plummeted between 1990-1996.<sup>63</sup> This selfishness (not voting) was to subconsciously sabotage the evolution of Lithuania in the first years of independence. By not voting, the people then had less of a say in who actually governed the country and tended to complain about the government more.

Although some Lithuanians disliked individual people in government, the actual method of government, unlike in 1990, was not vehemently disapproved of. Voter apathy, however, is a feature of many democracies where there is, like in Lithuania, general contentment with the type of regime coupled with disinterest in the opposing political factions which are seen to be extremely similar. In the USA, for example, electoral turnout is notoriously low. In 1988 only 50.2 percent of the electorate voted<sup>64</sup> and in the election of 1992 that figure only increased to 54 percent.<sup>65</sup> A similar trend occurred in the UK. Although the turnout was in most cases between 70-80 percent, as in 1987 (73 percent) and 1992 (77 percent),<sup>66</sup> this figure could plummet to US depths when examining individual constituencies. Apathy was, therefore, not a feature unique to Lithuania.

Ultimately it was Landsbergis' government's total inability to quickly solve the problems afflicting Lithuania which was responsible for its defeat in 1992: the electorate could see little progress under Landsbergis' leadership. He was, however, also impeded by the socio-political climate of the time, which perhaps, regardless of the skill of Brazauskas as an opponent, made his defeat inevitable. Many Lithuanians expected instant results after the collapse of the USSR. They suffered from the delusion that during the years of the Soviet occupation, Lithuania had always been perceived as being in the "West" by other Soviet republics, but on achieving this independence, they realised how far behind their Western neighbours they had fallen. Sajūdis' belief in "romantic nationalism and nostalgia for the days of pre-war independence held little meaning for a populace suffering real hardship in economically trying times."<sup>67</sup>

By being in opposition, suggests Anatol Lieven, Brazauskas had "escaped responsibility for Government during the period 1990-1992 whereas Landsbergis saddled himself with it and with it the unpopularity it brought."<sup>68</sup> Brazauskas himself, as shall be elaborated upon later in this chapter, was also unable to prevail over a disenchanted electorate when he went to the polls in October 1996. From the date of the recognition of Lithuania's independence, the country was burdened with frequent cabinet reshuffles of both prime minister and senior government officials.<sup>69</sup> This did not contribute to the stability of the country, nor did it encourage the feeling of confidence required for the process of reconstruction.

This is not, however, to deny that the Landsbergis administration had been a



complete failure. Although it will be remembered more for the errors that it made, which cost Lithuania so dearly, there were significant strides taken along the paths of reconstruction and regeneration during the first two years of complete independence. These were mostly in the field of re-establishing the inter-war governmental structures which had been cast aside during the Soviet occupation, such as a parliament, a system of local government and the judicial system.

The Sajūdis government was committed to restoring Lithuania's pre-occupation governing structures, with political power to be vested in the office of the president and the *Seimas* (Parliament). The *Seimas*, seat of all legislative power, was to be composed of 141 members, each of whom was elected for a four-year term by secret ballot on the basis of universal, direct and equal suffrage. The role of the *Seimas* was to consider and enact amendments to the constitution, create laws, adopt resolutions and call referenda, announce elections, approve the candidature of the prime minister and supervise the activities of the prime minister and his council of ministers. It also had the power to demand a vote of no-confidence in the prime minister or other ministers, to impose martial law and to mobilise Lithuania's armed forces. Its other area of responsibility was in the approving of the state budget and establishing taxes, the ratifying of treaties and debating foreign policy issues.<sup>70</sup>

As in the inter-war years, Lithuania's head of state was to be a president, elected by universal suffrage and secret ballot for a five-year term. His tasks were to work in conjunction with the government to implement policy, to appoint Lithuania's diplomatic representatives and, with the approval of the *Seimas*, to propose Lithuania's prime minister and key ministerial and military officers. Executive power was vested in the council of ministers, headed by the prime minister.<sup>71</sup> Until 1996 the president was always of the same political party as the governing majority in the *Seimas*, but following the defeat of the LDLP in October of that year, Lithuania found herself in an unknown position, with the *Seimas* dominated by Landsbergis' Christian and Conservative coalition but with the LDLP leader Algirdas Brazauskas remaining as president. This demonstrated the Lithuanians' commitment to abiding by the terms of the constitution which technically did allow for such an occurrence, but it remained to be seen what effect on the processes of creating and passing of new legislation such a situation would have.

After reconstructing the mechanisms of national government, Landsbergis' officials also had to remodel Lithuania's local government administration, which had been absorbed entirely into the Soviet structure following the start of the occupation. In December 1991, Lithuania was subdivided into 585 administrative territorial units.<sup>72</sup> Local government was split into two areas, the lower level comprising rural districts and towns, the higher level handling cities and regions. In 1991 the Union of Lithuanian Large Towns was created to assist in the process of local government.

The key concerns in local government were economics-related. All of the main



political parties who campaigned for seats in local government pledged to “clean up the crumbling economy” (LDLP manifesto), “seek economic well-being” (Lithuanian Peasants’ Party), “to encourage foreign investment” (Life’s Logic Party), “to seek ways to decrease unemployment” (Lithuanian Women’s Party), “to revive and develop the economy” (Lithuanian Economic Party), “to create new jobs” (Homeland Union) or “to improve the functioning of the [local] economy . . . and solve everyday economic problems” (Lithuanian Centre Union).<sup>73</sup>

Local policies reflected the national government picture. Lithuania’s commitment to maintaining a just democracy was reflected in the parties’ pledge to ensure the rights of minorities within the country: “thorough integration of non-Lithuanian citizens into . . . public and political life . . . safeguarding of citizens’ rights irrespective of nationality and creed,” (Lithuanian Russian Union), fielding candidates for local government of deliberately various nationalities, including Russians, Poles and Tartars (LDLP), being part of the common Christian West-European culture . . . not isolated” (Christian Democratic Party)<sup>74</sup>.

Political parties also expressed a commitment to ensuring Lithuania’s position in the international community: although this was not strictly a local government issue, it was included in many parties’ manifestos. The Lithuanian Russian Union encouraged the “establishment of good-neighbour relations . . . [and] the building of Lithuanian prestige in international organisations and the community of nations.” The Christian Democratic Party emphasised Lithuania’s position in “a global political association . . . as part of an evolving, unified free Europe.”<sup>75</sup>

Some political parties had more specified agendas than the wider spread of the manifestos of the main parties. There was, however, little difference between their local and national policies. The Social Democratic Party stressed the importance of social justice and the maintenance of democracy in both its manifestos, with self-government according to the Charter of European Self-Government.<sup>76</sup> The Farmers’ Union and the Lithuanian Peasants’ Party were both committed to defending the rights of the agricultural sector of the population, “to representing the interests of the village and related occupations,”<sup>77</sup> while the Green Party’s programme was based on improving Lithuania’s environment after decades of Soviet-induced pollution. The importance of justice and the judicial system in a newly democratised Lithuania, however, was the backbone of many of the local government manifestos issued after 1991. This was especially true of the Homeland Union, Lithuanian Centre Union, LDLP, Lithuanian Russian Union, the Christian Democratic Party, the Lithuanian Peoples’ Party, the Social Democrat Party and the Lithuanian Economic Party.<sup>78</sup>

The judicial system was constructed around the Supreme Court, the highest judicial body in Lithuania, whose judges were all appointed by the *Seimas* on the recommendation of the president. The courts of appeal, district courts and local courts of Lithuania’s administrative regions were also presided over by presidentially - approved judges, each appointed for five-year terms. To ensure the preservation of Lithuania’s democracy, a special constitutional court was



established in 1991 to ensure the constitutionality of acts passed by the *Seimas* and the government. It was composed of a panel of nine judges, each eventually to be appointed for a single 9 - year term, but one - third of the panel was to be replaced annually to ensure impartiality. Further impartiality was ensured by the decision to create an independent prosecutor - general's office. The prosecutor - general and his deputies were appointed by the *Seimas* for five-year terms.<sup>79</sup>

Upon the restitution of independence, the Landsbergis government decided to retain the death penalty, incurring the hostility of western groups such as Amnesty International, but it was decided by the Landsbergis government that it was still necessary, in the difficult climate of transition, to have the ultimate penalty for criminal offences.

By the time of his defeat in 1992, Landsbergis and his government had therefore been able to restore some of the mechanisms of government which had laid firm foundations for the maintenance of democracy in Lithuania. These foundations have since been tested in two elections and have been proved to function. This is perhaps the greatest contribution Landsbergis could have made to his country in the first years of post-Soviet independence.

Brazauskas was determined to continue the democratic processes re-established by Landsbergis. First, he ensured that Lithuania's long-awaited constitution was finally promulgated after being approved by over 56 percent of the electorate in a referendum on 25 October 1992.<sup>80</sup> The constitution was based on French, German, US and earlier Lithuanian models and incorporated clauses on the defence of human rights and national minorities. The legislative system was based on a US model, while the executive structure resembled the French arrangement. The constitution "attempts to combine modern democratic principles with Lithuania's national traditions as well as with the more recent inheritance of the Socialist welfare state."<sup>81</sup> The natural freedoms: of expression, religion, workers' rights, found in western democracies were included, as were the social rights inherent in a welfare state: free medical care, free higher education, pensions and unemployment benefit.<sup>82</sup>

The LDLP was certainly committed to maintaining a democracy. In the statute of the party, it clearly stated that "freedom and wellbeing is the main criteria of civilisation . . . the equality of people, their spiritual, political and economic freedom, their individual expression . . . form the main principles of the LDLP."<sup>83</sup> Brazauskas was determined to "safeguard democracy and human rights,"<sup>84</sup> and create a political climate to ensure their continuation. He emphasised the importance of religion, education and science in the regeneration of the country.<sup>85</sup>

As will be demonstrated in Chapter 5, the LDLP remained convinced of the need to develop a market economy. The LDLP advocated "well-thought, gradual consecutive privatisation" and the revival of the "true nature of co-operative property."<sup>86</sup> By the time of the elections of 1996, the economy had stabilised: in 1992 GDP had decreased by 34 percent, but by 1995 it had increased by three percent. Inflation, which had reached 1165 percent in 1992 was down to 36 percent



by the end of 1995.<sup>87</sup> Unemployment had also declined in the four years of LDLP government. It stood, officially, at 5 percent in 1996 as opposed to 9 percent in 1992.<sup>88</sup> The LDLP also pledged to continue with the second wave of privatisation, although they acknowledged that it had not occurred as quickly or as successfully as had been originally hoped for in 1992.<sup>89</sup>

The LDLP also proved infinitely more adept at dealing with Moscow and improving relations between Russia and Lithuania. Far more than Landsbergis, Brazauskas understood the importance of “good neighbourliness.” His relationship with Yeltsin was better than Landsbergis’ had been and he was therefore able to diffuse certain situations, such as the tensions which had arisen over Lithuania’s oil and gas debt to Russia with greater effectiveness than Landsbergis. As will be shown in Chapter 3, Brazauskas campaigned vigorously to secure Lithuania’s admission into NATO and the EU,<sup>90</sup> but by the end of the period under review was still unsuccessful. This cannot be entirely attributed to his actions: as will be shown, it was the unwillingness of existing member states to expand which prevented the admission of Lithuania and the other states of central and eastern Europe.

Yet the LDLP was also to fall victim to the “pitfalls of incumbency.”<sup>91</sup> Unfulfilled promises which had been made to the electorate in 1992, especially regarding the delicate process of land reform and the restitution of property and the fact that in 1996 the standard of living was still below 1989 levels,<sup>92</sup> all contributed to the defeat of the party.<sup>93</sup>

As in the case of Sajūdis, the LDLP was hampered by the conflicting interests surrounding the process of land reform and property restitution. As the reforms introduced by Sajūdis had proved ineffective, a new law on land was drafted, finally promulgated by Brazauskas and the *Seimas* on 26 April 1994.<sup>94</sup> It was a highly complex brief, covering many aspects of land reform, distribution, ownership, right of possession, the rights of users and conditions of use. It also included all legal necessities including matters related to purchasing, mortgaging or inheriting of land. The law clarified the differences between state and privately (or common) owned land and defined which land was allocated for agricultural purposes, forestry needs or conservation areas. It determined what land would be placed under state control and how property disputes would be resolved.<sup>95</sup>

The law on land, however, still failed to resolve certain outstanding issues. Foreign investment was still hampered by the insistence of the government, in Article 3, that “all land in the Republic of Lithuania belongs by right of ownership only to the citizens of the Republic of Lithuania.”<sup>96</sup> Land could not be inherited by people who were not citizens of Lithuania,<sup>97</sup> which alienated the many Lithuanian emigres who had, according to the wills of their relatives, inherited property.<sup>98</sup>

Perhaps of greatest concern to Lithuanian citizens was the amount of control the state was to maintain over the land. In accordance with Article 30, the government was permitted to “issue and revise . . . standard acts on the regulation of such issues as the ownership, holding, use of land” and “work out and



implement programmes for the use of land, optimisation of territories and land improvement.”<sup>99</sup> Hostility to the law on land was also incurred by the inclusion of a clause allowing for the “taking of land for the needs and common (use) by local governments, if it is provided for in the . . . plans of towns and settlements and land use plans.”<sup>100</sup> Land plots would “be taken from the owners . . . by buying them out at the official land market price . . . or by giving [them] . . . other plots of land of equal value.”<sup>101</sup>

While the law, in theory, made ample provision for compensation, it was this section which was most open to abuse by corrupt local authorities. In 1993, all agricultural land in Lithuania was suddenly divided into zones.<sup>102</sup> The majority of the finest arable land became “Green Zone.” It was “taken from the owners” by the government in order for it to be resold, according to Article 30, to local villagers. This, in theory, was designed to encourage support for the LDLP from those who had feared that the introduction of a market economy would lead to the loss of their livelihood as collective farms were disbanded. The LDLP claimed that if people were able to own their own property, they would be far more receptive to the ideas of the LDLP.

This policy, however, had a fatal and perhaps deliberate flaw. For the LDLP was torn between wanting to modernise and wanting to maintain as much power and control as possible. In this case, power and control equalled the possession of land. The “Green Zone” land was therefore made available for purchase at rates far higher than the average collective worker could ever afford and thus the great majority of the land remained in state control.

Land which fell into the “Yellow Zone” remained under questionable ownership. It was earmarked by the state as land ideally for return, but the original owners had failed to provide the correct documents of proof of ownership or to fulfil the requirements of citizenship. The land in the “Grey Zone” was immediately returned to the inter-war owners, provided all the correct documents were produced and that the owner was a Lithuanian citizen. This often proved to be the lowest quality land of the entire property.<sup>103</sup> Any swamps, marshlands or forests on the property were open for negotiation. Because the land was of lesser quality, however, it was often not reclaimed instantly and the state managed to retain control over it.

It was not just the quality of the land, however, which influenced people’s desires to either leave or reclaim the land. In true Soviet style, not all of the “Grey Zone” land was grouped together and often only odd parts were available for return. This was, in most cases, insufficient to farm profitably and therefore, because of the stipulation that all returned land had to be worked (Article 9: “Land Users must use land according to the proper purpose of its use.”<sup>104</sup>), it was left in the holding of the state. Local agricultural reform agencies often created additional complications for the former owners by preventing access routes from being constructed where necessary, for example where two separate “Grey Zone” segments were returned, divided by “Green Zone” land.<sup>105</sup>



That most land would remain in state control was also inevitable because, despite the terms of Article 32, which stated that compensation would be at the "official market price," it was so paltry that many land owners did not wish to accept it. This was compounded by the frequent amendments to the law on land. From its promulgation on 26 April 1994 until March 1997, there were 15 amendments to the law. In 1994, therefore, aware that these amendments would most probably be forthcoming, many landowners were extremely reluctant to either claim and start working the meagre plots of land restored to them or settle for virtually worthless compensation in the belief that in the next months a more favourable settlement might be introduced.<sup>106</sup>

By 1996, acutely aware that the land reform problem had not abated, the government passed another amendment to Article 47 of Lithuania's constitution, by which certain non-Lithuanian citizens would be able to purchase land.<sup>107</sup> It allowed for foreign enterprises whose offices were registered in Lithuania and which originated from EU, OECD or NATO member states to purchase non-agricultural land in Lithuania<sup>108</sup> and for representatives from other states to lease plots of land. This, however, was only a partial solution to the problem, as the majority of potential foreign investors wanted to utilise the agricultural sector for which Lithuania was historically noted.<sup>109</sup>

The significance of the failure of land reform policies can not be underestimated. By 1997, the majority of land which could have been returned to its inter-war owners or their descendants had not been done so and remained in the control of the state. This prevented both foreign and domestic investment by parties which had been willing to do so prior to independence. It also highlighted the corruption of local and governmental authorities, who were prepared to draft and manipulate new legislation in order to ensure that they maintained maximum control and authority.

The four years of LDLP government witnessed a definite increase in crime and corruption, some of which was directly linked to leading members of the LDLP such as Prime Minister Adolfas Šleževičius, who was forced to resign in 1995 after being implicated in a banking scandal.<sup>110</sup> Such actions discredited the government and provided ammunition for Landsbergis' Christian-Conservative Homeland Union coalition which emphasised the necessity for morality in government and highlighted the seemingly cavalier attitude of the government towards the spread of corruption.

Corruption and the escalation in strength of the mafia were to be the scourges of the post-independence governments in many of the former Soviet Republics following the collapse of the USSR. Lithuania was no exception. As Ashot Manucharyan of the Karabakh Committee indicated in 1988, "in Italy or the USA the mafia just means organised crime . . . but here . . . the mafia, the state and the law overlap. Criminals in the shadow economy have party and police connections. It is all intertwined."<sup>111</sup> In the Soviet era, the shadow economy had played a major role in a society burdened by the chaos and inefficiency of a centrally planned



economy, and it had spawned this class of people who formed the “mafia.” It was these people who were able to profit when Lithuania abandoned the old Soviet criminal and legal codes upon the restitution of independence, as numerous loopholes remained, for example, regarding currency exchanges, trade and profits. The mafia, who were skilled in all of those areas, were able to exploit their abilities to maximum advantage. Once the new legal codes were finally drafted, the success of the mafia increased, as they were able to apply some of their practises legally, in a capitalist framework.<sup>112</sup>

Some of their other practises, however, remained illegal after the introduction of a new criminal code in 1992. Nonetheless, they continued to be used and the mafia was still predominantly a network of criminals. A common practice was that of extortion and, if payments were not met, retaliatory arson. A frequent sight, especially in Vilnius, by 1994 was the view of burnt-out houses or retail outlets.<sup>113</sup> Klaipeda was also a mafia stronghold, partly because of the presence of the port and the regular flow of trade and passengers which created prime conditions for illegal operations. Another familiar sight, especially in Klaipeda, was the presence of large, armed bodyguards surrounding men heavily bedecked in silk suits and gold jewellery, with a few decorative women (or prostitutes) in attendance in the leading hotel and restaurants.<sup>114</sup> Street crime, not necessarily the work of mafia associates, also increased following independence. By 1993 it was 80 percent over the 1989 rate.<sup>115</sup>

There were also far more serious crimes, such as murder: Vitas Lingys, a prominent journalist at *Lietuvos Rytas* (a tabloid newspaper) was murdered on 10 December 1993 after writing articles exploring the activities of the *Vilniaus Brigade* and condemning Lithuania’s mafia groups. When Boris Dekandize, the accused, received the sentence of the death penalty after being found guilty of the murder at his trial in 1994, other mafia members threatened to blow up the Ignalina nuclear power station if the execution took place. Although the execution eventually occurred in 1995, there was no attack on Ignalina, but security at the power plant had increased noticeably to counter this and future prospective threats.<sup>116</sup>

Corruption was not solely the prerogative of the mafia, however. It ran throughout Lithuanian society, including through the corridors of government. This was one of the greatest causes of discontent among the electorate. In a survey on Baltic nationalities conducted in 1994, there was general opposition to the misuse of wealth that was felt to be occurring in post-Soviet Lithuania. Respondents believed that those with large incomes did not, in general, contribute to the growth of Lithuania’s economy, instead being more likely to “exploit” their fellow citizens, and over 80 percent of those questioned believed that they were likely to be “dishonest.”<sup>117</sup> In 1996, the spread of corruption was one of the key reasons for the defeat of the LDLP.<sup>118</sup> The electorate had become increasingly disenchanted with the perceived abuse of office of senior government officials, especially when Prime Minister Šleževičius was implicated in the aforementioned banking scandal of



1995. There was a distinct feeling that members of the government were acting in their own interests, rather than in the interests of the state.<sup>119</sup>

This was most apparent when examining the issue of land reform. Perhaps the most serious failing of the LDLP government, however, was its inability to resolve this vital matter. Failure to resolve the land question inhibited foreign investors, whose presence, it had been believed, would be so beneficial for Lithuania's post-Soviet development and adversely affected all aspects of the economy as well as disillusioning potential supporters of the LDLP.

While continuing Landsbergis' policy of rebuilding the mechanisms of government, the LDLP failed to make any real further progress. By 1996 Lithuania still did not possess an impartial civil service. This was one of the most important brakes to the development of post-Soviet Lithuania.<sup>120</sup> Without an effective civil service, there was a marked increase in the levels of bribery and corruption and laws were seen as ineffective. This, suggested Deputy Foreign Minister Rokas Bernotas, was perhaps "the greatest relic of the Soviet era, with all its vices."<sup>121</sup>

Under the old regime, state employees represented themselves, their office, their department and their ministry, but (with a few exceptions) lacked loyalty and paid the state only "lip service." In the first years of government most state employees suffered from severe job-insecurity and received salaries well below levels which could be earned outside the state sector. These factors did little to ensure loyalty, conscientiousness or commitment and contributed to a frequent turnover of staff as Lithuania's fledgling civil servants left office to seek better employment in the private sector. Their successors were, in most cases, no more loyal, conscientious or committed.

Lithuania required the creation of an impartial and professional civil service and a specific law to govern this institution.<sup>122</sup> Incentives were necessary to attract the right type of people to employment within the civil service. These had to include not only an attractive salary, comparable with the private sector, but also the promise of promotion, family support, health insurance, education subsidies and ample pensions. With these advantages, the civil servant would naturally gain prestige and a status that would not be worthwhile to lose. Using a process of strict selection via special examinations, an impartial and professional civil service, impervious to the changes in government, would evolve. The civil service could refuse to be dictated to by the personal whims of individual government officials. While none of these criteria were met in the first years of independence, Lithuania received little value from her state employees.<sup>123</sup>

It was, however, the ever-present legacy of the Soviet occupation which proved to be the greatest pitfall for the LDLP government. Those who had been bureaucrats during the period of Soviet occupation had learned how to profit from the new economic system and, by 1996, this had led to an extremely visible difference between rich and poor: the benefits of a market economy had, in the eyes of many Lithuanians, been distributed unequally. Landsbergis and his Homeland Union were able to paint the LDLP as "the party of the new economic



elites that profited from insider deals while the rest of the country suffered during the tough times.”<sup>124</sup> To a great extent this was an accurate description: most Lithuanians did not resent their neighbours having greater wealth than themselves, but what they did resent was the manner in which this wealth had been acquired (often via illegal means).

As in the 1992 elections, it was unspoken sentiments which were to influence the electorate. In this case, the voters approved of the removal of the repressive nature and adherence to the old Communist ideology from the soul of the LDLP. They did not, however, approve of the excessive pragmatism adopted by party members. There was a definite sense, shared by a sizeable proportion of the Lithuanian population, that the LDLP bureaucrats were only looking after their own interests and not the interests of the electorate. This view was given added credibility by the widespread increase in corruption during the LDLP's years in office.<sup>125</sup>

Popular disenchantment with the elected government was reflected in the widespread voter apathy: by 1996 the turnout for elections was only 53 percent, as opposed to over 75 percent in 1992.<sup>126</sup> This put the voter turnout approximately on a par with the USA at that time.

Increasing opposition to the government became more effective with the union of the Christian and Conservative factions of the *Seimas* into the Homeland Union in 1996. As a united body it was able to do what the individual factions had been unable to in 1992: it presented a solid force opposed to the LDLP and its corruption and was consequently victorious. But it was unclear whether the new governing coalition had learned anything of real value during its time in opposition. “Tales of official corruption and crime resonate . . . the *Nomenklatura* has strengthened its position in the economy, media and judiciary.”<sup>127</sup> Landsbergis was still guilty of many of the same faults as he had been prior to his 1992 defeat and his success in the 1996 polls made him even more unwilling to reform his policies and, indeed, his personal nature. (His favourite method of attacking opponents was still to denounce them as agents of Moscow and the KGB.)

The political system in Lithuania was evolving so slowly that it seemed inevitable that the Homeland Union would also be ousted in the year 2000 elections. With neither main political group being radically different from the other, both being committed to the maintenance of democratic independence, the transition to a market economy, campaigning for admission into NATO and the EU, ensuring the credibility of Lithuania's banking system and the protection of the Litas as Lithuania's currency, a change in the governing administration would be a sign of popular discontent with the general political climate.<sup>128</sup> It was highly unlikely that in four years the Homeland Union would be able to achieve anything of real value and would probably suffer at the ballot box as a result.

By 1996 it could be seen that there were definite similarities between the political situations in Latvia and Estonia with that in Lithuania. All three states had installed the mechanisms of democratic government and had held free and fair



elections.<sup>129</sup> The most striking similarity among the three states was the formation of coalition governments among right-wing nationalist forces, as following the restitution of independence in all three Baltic States, the major nationalist movements which had demanded the restitution of independence had all fragmented as internal strife and individuals' desire for power had led to their breakup. In Estonia, the governing coalition was made up of members of the Isamaa and Moderates electoral alliances and the Estonian National Independence Party, while in Latvia it was a coalition between Latvian Way and the Latvian Farmers' Union which held elected office.

All three Baltic States possessed Democratic Labour Parties, all former Communist parties, but with varying degrees of political importance (Lithuania having elected them to office, the 2,000-strong Estonian faction and the smaller Latvian group which had won no seats in the *Saeima* (the Latvian Parliament) in the 1993 elections). Unfortunately, the governments of the Baltic States were all also tarnished by political scandal. On 14 July 1994 the entire Latvian cabinet, led by Prime Minister Valdis Birkavs, resigned after three of its members were forced out on charges of corruption.<sup>130</sup> Numerous ministerial resignations for similar reasons in the first years of independence also weakened and fragmented Mart Laar's Estonian coalition government.<sup>131</sup>

Poland echoed Lithuania's move by re-electing Aleksander Kwasniewski and the former Communists, renamed the Alliance of the Democratic Left (SLD) and claiming to be a Social-Democrat party, in 1995.<sup>132</sup> As in the case of Sajūdis, Solidarity, the trade union movement which had symbolised Poland's struggle to throw off Communist government, had proven ineffective in office once its aim had been achieved. The legacy of Soviet domination has proven as strong in Poland as in Lithuania, with the former Communist *Nomenklatura* returned to power and profiting from the benefits of a capitalist environment, while the ordinary people, in a majority of cases, failed to reap the benefits of capitalism.<sup>133</sup>

Latvia, Estonia and Poland all shared Lithuania's difficulty in ridding themselves of their former-Soviet constitutions. By 1996 Poland was still bound by its former-Soviet statutes,<sup>134</sup> while it was only in 1992 that Estonia and Latvia managed to introduce their own, both basing them on their inter-war constitutions (Estonia's of 1938 and Latvia's of 1922).<sup>135</sup> In Estonia and Poland, as in Lithuania, post-Soviet judicial systems had been installed, but Latvia was still bound by the Soviet criminal code.<sup>136</sup> While the first four years of independence did witness the beginning of reconstruction in the sphere of influence of the former USSR, it was to be only a beginning. In Lithuania, basic governmental and administrative structures had been reinstalled and the transition from a member state of the USSR to an independent democracy had been made. Individual political parties had been created and were allowed freedom of operation unknown during the Soviet occupation. But no political faction was untainted by corruption or scandal and it was this stench of corruption which so disillusioned the electorate and contributed to the growth of popular apathy.



Total failure by either administration in the period under review to conclusively solve the land reform issue, which in the most agricultural of the three Baltic States was a vital matter, did nothing to assist Lithuania throughout its period of transition. The reforms introduced by both of the post-independence governments “destroyed collectivisation but did not replace it with a viable system.”<sup>137</sup> What was in theory a domestic policy issue: the transfer of land ownership or tenancy thereof, was to influence most aspects of Lithuania’s reconstruction because of its impact on the economy and, crucially, on the foreign investment on which Lithuania was reliant. It also had a social impact, as failure to implement a concrete policy of land reform created tension for Lithuania’s farmers and alienated the emigre community which had been prepared to assist in Lithuania’s rebirth by investing in their former homeland. Former Communist bureaucrats were able to profit from the new system, while the ordinary people became even more disadvantaged and disillusioned than under the Soviet regime. This was the trend which would characterise the first years of re-independence in Lithuania, a trend which Lithuania’s politicians would do little to reverse.

## Notes

1. As used by M. Kaminski in the *Financial Times* 18 October 1996.
2. See Appendix 2 for the election results of October 1992.
3. Gerutis, A. in Gerutis, A. (ed) *Lithuania 700 Years*, Maryland: 1984, 193-194. See Appendix 2 for details of the election results.
4. Vladas Gaidys, opinion pollster, interview, 26 June 1994.
5. The exceptions were Armenia, Estonia, Latvia, Kyrgyzstan and the Russian Federation. In the Russian Federation, however, the former Communists, headed by Genady Zyuganov, were encroaching on Yeltsin’s popularity and posed a serious challenge in the 1995 elections.
6. *The Economist*, 16 April 1994, 54.
7. *The Economist*, 16 April 1994, 54.
8. See works by Alexander Zinoviev for a full analysis of the characteristics of a bureaucratic society.
9. See Appendix 2 for the previous occupations of the first government.
10. See Appendix 2 for the February and March 1990 election results.
11. See Appendix 2 for trade figures.
12. Lieven, A. *The Baltic Revolution*, Yale University Press: 1993, 268.
13. Morrison, J. *Boris Yeltsin, From Bolshevik to Democrat*, Penguin: 1991, 214-225.
14. Vardys, V. and J. Sedaitis. *Lithuania: The Rebel Nation*, Westview Press: 1997, 198.
15. Vardys, V. and J. Sedaitis. *Lithuania: The Rebel Nation*, Westview Press: 1997, 198.
16. The economic situation influenced people’s desire for a return to the old system. In a survey conducted in 1994 for the Centre for the Study of Public Policy at Strathclyde University, 70 percent of respondents cited their economic situation as being “unsatisfactory” and worse than in 1989. (Questions 103-104) Lithuania’s economic situation in 1989 was deemed to have been better than in 1994, although there was a consensus that by 1999 the



situation would improve. (Questions 105-108) There was little to choose between those who preferred the Soviet system of government to that installed in post-Soviet Lithuania (Question 123), but at the same time the great majority of people preferred the freedoms of thought and movement possible in the new democracy. (Questions 129-137)

17. These upheavals are described in more detail later in the chapter.

18. The *Independent*, 22 October 1996.

19. Virtually all of the new political parties formed after 1991 had key figures from Sajūdis among their leaders. Of those who gained sufficient votes to return deputies to the *Seimas*, Homeland Union—the Lithuanian Conservatives were led by Landsbergis, The Centre Union by R. Ozolas and R. Bičkauskas and the Christian Democratic Party by P. Katilus and A. Saudargas. Other smaller parties, even the Lithuanian Democratic Labour Party and Polish-political parties, had members of Sajūdis among their ranks.

20. Vardys, V. and Sedaitis, J. *Lithuania: The Rebel Nation*, 198.

21. Vladas Gaidys, Opinion Pollster, interview 26 June 1994.

22. Vladas Gaidys, Opinion Pollster, interview 26 June 1994.

23. Lozoraitis was, however, allegedly subject to a “dirty tricks” campaign masterminded by Kazys Bobelis, another emigre in the USA who returned to Lithuania as a supporter of Brazauskas, rewarded for doing so by receiving the chairmanship of the Foreign Affairs Committee in the *Seimas*. (This was greeted with wry amusement on the part of many ordinary Lithuanians, as Bobelis was a surgeon by occupation, not necessarily the best training for handling the foreign affairs of a re-emerging nation.) The campaign targeted Lozoraitis’ Italian wife as “proof” of his lack of recognition of the importance of his Lithuanian origins and his commitment to Lithuania’s rebirth. Although this campaign was petty and spiteful and probably had no real bearing on the outcome of the elections, it left a nasty taste in the mouths of many people. It has also been argued by a number of Lozoraitis supporters that had he decided earlier to run for the presidency, he would have received more votes: Lozoraitis’ last-minute campaign was not lengthy enough to amass sufficient popular support.

24. Source: Beaver, P. (ed) *Jane’s Sentinel: Central Europe and the Baltic States*, 13.

25. See Appendix 2 for election figures for 1996.

26. *Lietuvos Aidas* was the key pro-Landsbergis paper. It had been founded by Jonas Basanavičius as his state newspaper and Landsbergis resurrected it for the same purpose.

27. Lithuanian history and culture are so closely intertwined that it is virtually impossible to separate them: it was the culture which was responsible for the maintenance of the distinct national identity which was preserved despite centuries of occupation.

28. Lieven, A. *The Baltic Revolution*, 274.

29. Deputy Foreign Minister R. Bernotas, interview, 24 March 1997.

30. Deputy Foreign Minister R. Bernotas, interview, 24 March 1997.

31. See Appendix 2 for the election results of 1990.

32. From personal experience in Lithuania in the autumn of 1992.

33. Jonė Brazauskaite, interview, 21 January 1997.

34. Lieven, A. *The Baltic Revolution*, 259.

35. Lieven, A. *The Baltic Revolution*, 266. These sentiments were also confirmed by Fr. Vincentas, the priest in the northern town of Viekšniai, interview, 3 July 1994.

36. Ministry of Foreign Affairs. *Political Parties of the Republic of Lithuania*, 24 March 1996, p1.

37. Only the environment received specific attention in the manifesto.

38. This was perhaps more important in Lithuania than in the other Baltic States, because



Lithuania was more agricultural and thus more dependent on this reform than Latvia or Estonia.

39. Deputy Foreign Minister Bernotas, interview, 9 April 1997.

40. In many cases, for example in the Marijampolė region, there were few actual buildings to be returned, as they had generally been destroyed, razed or subdivided and removed by the invading Nazi or Soviet forces. But there was still a demand for the return of the actual land, which was seen, especially by the previous owners of large farms, as being extremely valuable: houses and barns could be rebuilt easily, especially with the profits that would be inevitable from farming prime agricultural land using modern, western farming methods.

41. Professor Reklaitis at Kaunas Technological University was in this exact situation. In 1940, after being deported to Siberia, he lost his apartment, which was situated in the centre of Kaunas. The apartment he was offered as compensation was so small that it could have fitted into the drawing room of his previous abode and was located four miles from the city centre. He refused to settle for this and in 1997 was still continuing to fight to regain his old apartment. Interview, 20 March 1997.

42. See the Law on Citizenship, 1991

43. Jone Brazauskaite, interview, 8 March 1992.

44. Jone Brazauskaite, interview, 8 March 1992.

45. Law on the Procedure and Conditions of the Restoration

46. Law on the Procedure and Conditions of the Restoration of the Rights of Ownership to Existing Real Property, Chapter 1, Article 2, 18 June 1991.

47. Law on the Procedure and Conditions of the Restoration of the Rights of Ownership to Existing Real Property, Chapter 2, Article 4, 18 June 1991.

48. Z. Rutkauskiene, a former land owner, interview, 2 November 1991

49. Zigmas Brazauskas, architect, interview, 20 June 1994.

50. Law on the Procedure and Conditions of the Restoration of the Rights of Ownership to the Existing Real Property, Chapter 2, Articles 1- 8.

51. Law on the Procedure and Conditions of the Restoration of the Rights of Ownership to the Existing Real Property Chapters 3 and 4, Articles 12-17.

52. Resolution on the Law Regarding the Process of Enforcement . . . on the Procedures and Conditions of the Restoration of Ownership Rights to Existing Real Property, 16 July 1991.

53. Resolution on the Law Regarding the Process of Enforcement . . . on the Procedures and Conditions of the Restoration of Ownership Rights to Existing Real Property, 16 July 1991. Article 12.

54. Law on Land Reform, Chapter 3, Article 13, 25 July 1991.

55. Law on Land Reform, Chapter 4, Articles 17-19, 25 July 1991. See Appendix 1 for an example of an Agrarian Reform Agency. (Marijampolė)

56. Department of Press and Public Relations of the *Seimas Political Parties and Organisations of the Republic of Lithuania*, October 1991, 4.

57. But when the LDLP was victorious in the 1992 elections, she left political life and opened a pizza restaurant in the heart of Vilnius.

58. An opinion expressed by all Lithuanian emigres interviewed between 1991-1994. They were extremely disheartened by this.

59. By October 1992, of the 98 Sajūdis deputies elected in 1990, only 42 still represented the party.

60. Vardys, V. and Sedaitis, J. *Lithuania: The Rebel Nation*, 193.

61. See the *Survey Study on Nationalities in the Baltic States* for Lithuanians' views on



the deterioration in their standards of living. There was a definite agreement that their economic situation was worse than during Soviet times.

62. First Secretary A. Misevičius, interview, 22 April 1997.
63. See Appendix 2 for turnout figures.
64. *The Times*, 5 November 1992.
65. *The Guardian*, 5 November 1992.
66. *The Times*, 11 April 1992.
67. Vardys, V. and Sedaitis, J. *Lithuania: The Rebel Nation*, 199.
68. Lieven, A. *The Baltic Revolution*, 255.
69. There had been 7 by 1996.
70. Beaver, P. (ed.) *Jane's Sentinel: Central Europe and the Baltic States*, 7.
71. Beaver, P. (ed.) *Jane's Sentinel: Central Europe and the Baltic States*, 7.
72. These included 11 cities, 44 regions, 81 towns, 22 settlements and 427 areas. Source: Beaver, P. (ed.) *Jane's Sentinel: Central Europe and the Baltic States*, 7.
73. *Municipal Elections Manifestos*, Lithuanian Information Institute, 1996.
74. *Municipal Elections Manifestos*, Lithuanian Information Institute, 1996.
75. *Municipal Elections Manifestos*, Lithuanian Information Institute, 1996.
76. *Political Parties of the Republic of Lithuania*, Lithuanian Information Institute, 1995 and *Local Government Manifestos*, Lithuanian Information Institute, 1995.
77. *Political Parties of the Republic of Lithuania*, Lithuanian Information Institute, 1995 and *Local Government Manifestos*, Lithuanian Information Institute, 1995.
78. *Political Parties of the Republic of Lithuania*, Lithuanian Information Institute, 1995 and *Local Government Manifestos*, Lithuanian Information Institute, 1995.
79. Beaver, P. (ed.) *Jane's Sentinel: Central Europe and the Baltic States*, 8.
80. *Tiesa*, 3 November 1992.
81. Vardys, V. and Sedaitis, J. *Lithuania: The Rebel Nation*, Westview Press: 1997, 206.
82. Vardys, V. and Sedaitis, J. *Lithuania: The Rebel Nation*, Westview Press: 1997, 206.
83. *Statute of the LDLP*.
84. *Political Parties of the Republic of Lithuania*, Lithuanian Information Institute, 1995.
85. *Political Parties of the Republic of Lithuania*, Lithuanian Information Institute, 1995.
86. *Political Parties of the Republic of Lithuania* Lithuanian Information Institute, 1995.
87. *Election Programmes of Lithuanian Political Parties: State Management, Economics and Finance*, Seimas Analysis Group, 1996.
88. *Financial Times*, 18 October 1996. (Although Lithuania's official unemployment figures are recorded by Labour Exchanges. They do not, however, take into account the sizeable percentage of the population working for wages far less than the recognised minimum level and therefore living in virtual poverty.)
89. Bernotas, R. *Main Points of the Political and Economic Programmes of the Main Parties in Lithuania*, Ministry of Foreign Affairs, 1996.
90. *Political Parties of the Republic of Lithuania*, Lithuanian Information Institute, 1996.
91. Kaminski, M. *The Financial Times*, 18 October 1996.
92. Kaminski, M. *The Financial Times*, 18 October 1996.
93. The unpopularity of the LDLP was not, however, connected to the persona of its leader, Brazauskas. Despite his party's defeat, Brazauskas himself continued to remain the most popular political figure in Lithuania.
94. Law on Land, 26 April 1994.



95. Law on Land, 26 April 1994.
96. Law on Land, 26 April 1994.
97. Law on Land, 26 April 1994, Article 19.
98. Many Lithuanians who had relatives who had fled to the West made such provisions in their wills even before independence had been restored. They believed that it was these people, the majority of whom were far wealthier than those who had been trapped in Lithuania after the start of the Soviet occupation, who would best be able to provide for the running of the property when and if it were returned.
99. Law on Land, 26 April 1994, Article 30.
100. Law on Land, 26 April 1994, Article 32.
101. Law on Land, 26 April 1994, Article 32.
102. See Appendix 1 for a description of the region.
103. Law on Land, 26 April 1994, Article 32.
104. Law on Land, 26 April 1994.
105. See Appendix 1 for a case study of the Balsupė Estate, where two separate “Grey Zone” plots were returned, yet an access route linking them was prohibited.
106. The major example in this book is the Balsupė estate, because it is the one where I have personal experience of the difficulties of property restoration. It is, however, one of the clearest examples of all the complications of the land reform policies in the post-Soviet years and reflects similar problems encountered throughout Lithuania.
107. Law on Supplementing Article 47 of the Constitution of the Republic of Lithuania, 20 June 1996.
108. Law on Supplementing Article 47 of the Constitution of the Republic of Lithuania, 20 June 1991, Article 1.
109. The British Pig Improvement Company, for example, had no interest in anything except the agricultural sector. Their investment would have greatly benefited Lithuania, but with the frequent, ineffective amendments to the Law on Land, their investment was not forthcoming.
110. See Chapter 5 for details.
111. B.B.C. Television *The Second Russian Revolution: Breaking Ranks*, 1991.
112. Jonė Brazauskaite, interview, 21 January 1997.
113. From personal experience of Lithuania in 1994.
114. The Lithuanian mafia, while having no connection with their American namesake, has adopted their style of dress: the stereotypical gangster portrayed in such films as “The Godfather,” being both incredibly villainous and threatening in appearance. I was propositioned by a leading mafia member inside the Klaipėda Hotel in July 1994, although when he realised that I was a foreigner, he backed away. The mafia in Lithuania have little to do with foreigners.
115. *Lietuvos Rytas*, 26 January 1993.
116. Professor V. Reklaitis, interview, 5 May 1997.
117. Rose, R., Maley, W., Vilimorus & Emor *Study on Baltic Nationalities*, (Questions 2-8)
118. Deputy Foreign Minister R. Bernotas, interview, 24 March 1997.
119. Deputy Foreign Minister R. Bernotas, interview, 24 March 1997.
120. Deputy Foreign Minister R. Bernotas, interview, 24 March 1997.
121. Deputy Foreign Minister R. Bernotas, interview, 24 March 1997.
122. The example cited by Bernotas, among others, is that in Lithuania, when motorists



are stopped by police for traffic violations, instead of issuing tickets, as practised in western states, a monetary fine is extracted by the police officer at the time. In most cases, the officer often has to face the offer of a bribe. Bernotas believes that police should merely issue tickets and have nothing to do with the direct handling of money, thus removing themselves from the risk of corruption.

123. Bernotas, basing his ideas on the civil services of the UK and Germany, drafted plans for the creation of an impartial civil service based on the above criteria. His belief was that it would be better, in the long-term, to have a smaller and better-trained civil service, than a larger body composed of lower-calibre candidates. But by the time of the 1996 elections, the government had made little progress towards the creation of such a structure and this was of no use in Lithuania's rebirth and reconstruction.

124. Kaminski, M. *The Financial Times*, 22 October 1996.

125. Deputy Foreign Minister R. Bernotas, interview, 24 March 1997.

126. *Wall Street Journal*, 25 October 1996.

127. Kaminski, M. *The Financial Times*, 18 October 1996.

128. As suggested by Laime Paleckis, 7 November 1996 in conversation, a view held by many others both within and outside Lithuania.

129. See Appendix 2 for a list of the principal political parties in the Baltic States.

130. Beaver, P. (ed.) *Jane's Sentinel: Central Europe and the Baltic States*, 7.

131. Beaver, P. (ed.) *Jane's Sentinel: Central Europe and the Baltic States*, 7.

132. Kwasniewski was extremely keen to be seen as a modern, western leader. He posed with his wife and daughter for a feature in the Spanish-owned "*Hello!*" magazine shortly after his election in 1995, in an attempt to demonstrate his openness and commitment to the transition to a democratic political system and the introduction of a market economy and to prove that he was not an "old style" Communist. "*Hello!*" also attracted the Czech president Vaclav Havel, who gave numerous interviews to the magazine following the assumption of the presidency. Although "*Hello!*" is strictly apolitical and renowned for never writing anything hostile about its subjects (instead featuring lavish photographs of their homes), it has an extremely wide circulation in both Europe and the Spanish-speaking countries of South America. Kwasniewski, in particular, used the magazine as a publicity vehicle, aware that many western governments were wary of the return to office of the former Communists and he was anxious to allay those fears.

133. Beaver, P. (ed.) *Jane's Sentinel: Central Europe and the Baltic States*, 13.

134. Although a new post-Soviet constitution was promulgated in 1997.

135. Beaver, P. (ed.) *Jane's Sentinel: Central Europe and the Baltic States*, 7.

136. Beaver, P. (ed.) *Jane's Sentinel: Central Europe and the Baltic States*, 8.

137. Vardys, V. and Sedaitis, J. *Lithuania: The Rebel Nation*, 203.



## Chapter 3

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# Lithuania's Foreign Relations

*“The geographic centre of Europe, Lithuania can not afford to succumb to parochialism.”<sup>1</sup>*

“The foreign policy of Lithuania is based on her geopolitical situation and on the fact of being a newly sovereign entity.”<sup>2</sup> Although this statement was issued in 1993, the sentiments could have been applicable to 1918 or even 1386, especially regarding the significance of her geopolitical situation. Lithuania's foreign policy has always had to take this fact into account. “The geographical position of the Baltic lands, at the point where East meets West, has made them a battleground for a succession of races and states striving for economic and political mastery in the region.”<sup>3</sup> In a small state such as Lithuania, geopolitics has a greater influence than in a larger state which is more capable of adequately defending itself against potential aggressors. The direction of Lithuania's foreign policy has, to a great extent, been forced upon her by her geographic and political history.<sup>4</sup>

Foreign policy is an amalgam of interests and issues, very often becoming an extension of domestic policy concerns, especially security, which influences all aspects of political life. And perhaps the most important element of any state's foreign policy is also this need for self-defence. In his Presidential Address of 1994, President Brazauskas acknowledged that a priority of Lithuania's foreign policy was “the integration of Lithuania into European and transatlantic political, economic and security structures.”<sup>5</sup> It is therefore extremely difficult to separate foreign and defence/security policies, as they are for the most part intertwined. This chapter, however, will concern itself with the mechanics of creating a new foreign policy, starting with the building of a foreign service, and an examination of the process of re-establishing international links, including the development of tourism



as a process of improving relations with other states.

The following chapter, devoted to Lithuania's security, will examine the more military aspects of foreign policy and the structure of Lithuania's armed forces. These chapter divisions are to make analysis more manageable rather than because there is a clear distinction between foreign and security policies, especially as "security" does not merely imply military strength. Military security has not always been the sole criterion for determining a state's foreign policy. There is also the need for economic security and here again, the importance of a state's geographic position comes into question. The developing and strengthening of relations with neighbouring states, as well as those further away, is part of the normal and historic process of international relations. Cultural affinities with neighbouring states also have to be considered for the formation of foreign relations of a less political nature.

Foreign policy in a democracy takes into account not only geopolitics, but also the ethnic structure of the population, a reflection of the composite nationalities within the state's boundaries (a modern derivative of ancestral tribal loyalties). For this reason, Lithuania's foreign policy must be seen as separate from that of Latvia or Estonia, because those states have a far greater number of minorities,<sup>6</sup> and the interests of these minorities have to be taken into account when formulating policy. While there are obvious similarities between Lithuania and the other two Baltic States, they cannot be studied as a single unit because of this difference. Due to their size and geographical position, they have often been grouped together in the eyes of non-Balts. The Lithuanians, however, have always opposed this and wish to be perceived as an individual state in the belief that this would better advance their interests in the field of (re)entry into the international community.<sup>7</sup>

This view has also been expressed by foreign nationals with an interest in Lithuania. Michael Peart, for example, the British Ambassador to Lithuania in 1994, said that Lithuania's best chance of entering international organisations such as the European Union (EU) or the Western European Union (WEU) was to ally herself with Poland. He saw this as preferable to maintaining firm links with the other two Baltic States, whose Russian minorities had the potential to cause alarm in the EU, as even following the ending of the Cold War, Russia and Russian motives were not entirely trusted by the western states.<sup>8</sup>

After the 1918 declaration of independence and upon the restitution of that independence in 1990, Lithuania faced the same challenges: to create and implement a foreign policy which would fulfil the necessary criteria. First, a specific Ministry of Foreign Affairs had to be established and then a policy created. Decisions had to be taken on the formation of a framework of alliances and alignments as Lithuania appeared on the international stage.

It was not until 1920, two years after independence had first been declared in the twentieth century, that Lithuania was free from German or Soviet invading forces and it was only with the convening of the constituent *Seim* in that year that effective government could begin. Lithuania's foreign policy had to first reflect the



geographical position: sandwiched between the considerably larger entities of Soviet Russia and Germany, both states having previously occupied Lithuania. A further neighbour, Poland, although smaller than either Germany or the USSR, had also expressed a desire to incorporate Lithuania and in 1922 was able to seize Vilnius and the surrounding region.

Territorial disputes, however, were not confined to aggression against Lithuania. Despite being occupied by French forces since 1920, the port of Klaipeda was traditionally perceived by most Lithuanians as being part of Lithuania, and on 10 January 1923, Lithuanian troops occupied the region, meeting with no resistance from the French. Although there were international protests, the territory was officially transferred to Lithuania on 16 February of that year.<sup>9</sup> By the mid-1930s, Lithuania's foreign relations were heavily influenced by three concerns: the growing strength of the USSR, the rising power of Nazi Germany and continuing hostile relations with Poland.<sup>10</sup> In 1939, Lithuania's territorial integrity was compromised still further, when she was forced, with the threat of invasion, to cede the Klaipeda region to the Nazi *Reich*.<sup>11</sup>

These territorial concerns were therefore of the utmost importance to the government, which was faced with the task of establishing a Ministry of Foreign Affairs in 1920. The main influences behind the establishment of this office were British and French, but this was due primarily to personal connections.<sup>12</sup> The staffing of the Ministry of Foreign Affairs, was also undertaken through such personal connections. Lithuania did not have an apolitical civil service at this time. Staff were posted abroad depending on linguistic skills: the Paris, Berlin and London embassies were excellent examples of this.<sup>13</sup> Lithuania's first minister of foreign affairs was Petras Klimas: a fluent French speaker, he later became Ambassador to France. With insufficient funds to pay for the training of a civil service, preference was given to those Lithuanians who had studied abroad (many had studied at Universities in Switzerland, France or Germany), when it came to filling the senior positions in the ministry.

Security concerns were not the sole criteria for the moulding of Lithuanian foreign policy in the inter-war years. As in the year following the restitution of independence in 1990, economic and trading concerns were of the utmost importance. But here, too, Lithuania's geographical position was to influence the development of these links. As non-Slav Europeans, Lithuania's natural instinct was to turn towards western Europe, but until Germany adopted a policy of agricultural protectionism in 1929, it was the German state which monopolised the European markets targeted by the Lithuanians.<sup>14</sup> Once this German policy materialised, however, Lithuania was able to capitalise on this and the UK, in particular, became her principal market for the export of timber, dairy and meat products. Although Germany did import from Lithuania, by 1936, Britain had surpassed Germany as the major source of exports<sup>15</sup> also due to the success of the Anglo-Lithuanian Commercial Treaty which had been signed on 6 July 1934 and was renewed in 1936 "for a further indefinite period."<sup>16</sup>



Other trade links were developed with the USSR for the import of agricultural machinery, textiles and tobacco and the export of agricultural produce and with the Scandinavian states, although Latvia and Estonia were more reliant on them than Lithuania, but Lithuanians were reluctant to develop strong ties with the USSR, as it was felt that this would hinder their chances as being perceived as a modern, European state in the eyes of other Europeans.<sup>17</sup>

The situation in 1990-1991, therefore, was not entirely dissimilar from that of 1918: the same challenges had to be surmounted: to establish a Ministry of Foreign Affairs and to develop a foreign policy reflective of Lithuania's geopolitical, economic and cultural concerns. Any foreign policy, however, had to also reflect the concerns of the Lithuanian diaspora which by 1991 numbered over 1 million, predominantly in the USA. These concerns increased markedly after the international recognition of Lithuania's independence as many emigres took a considerable interest in events in their homeland.<sup>18</sup> Most important, Lithuania was still sandwiched between two much stronger power blocks: the former USSR and the European Union (EU). Without a psychological security guarantee from the latter, her independence was solely at the discretion of the former. This fact was to influence the evolution of Lithuania's foreign policy, but did not totally control it. It could be argued that Lithuania had no right to a foreign policy if she could not ensure her own independence, but this did not deter the post-Soviet governments from inaugurating a highly complex and ambitious policy.

The first task of the Landsbergis government in the area of foreign relations in 1990 was to re-establish the Ministry of Foreign Affairs. Most of the original staff were recruited from academic institutions around Lithuania, reflecting the academic origins of Sajūdis. Unlike in 1920, however, the knowledge of a foreign language was not an initial criteria for placement in the ministry. This was a direct legacy of the Soviet occupation, where the learning of western European languages was frowned upon.<sup>19</sup> A few select members of the Ministry of Foreign Affairs were sent to participate in the year-long Foreign Service Programme run by Oxford University, where they learned what was actually necessary for the building of a foreign service.<sup>20</sup>

The establishment of diplomatic relations with world powers, regional powers and immediate neighbours was one of Landsbergis' main priorities upon the restitution of Lithuania's independence.<sup>21</sup> He wished to sever completely all ties with the former USSR and believed diplomatic relations with western states vital for enhancing Lithuania's international prestige. They provided a formal link with foreign governments, a link which had been (officially) non-existent during the years of the Soviet occupation.

Lithuania's trainee diplomats had to be re-taught basic diplomatic skills which are taken for granted by diplomats from western states but not by those from the former USSR. These included learning how to word statements and media interviews, understanding the intricacies of diplomatic protocol, learning how to liaise with other ministries and how to co-ordinate government policy so as to



provide a unified position on a particular issue. The Lithuanians were also having to learn how to establish embassies or missions in those states with which Lithuania should have special ties, and indeed why Lithuania should establish diplomatic relations with particular states. In a post-KGB state, the Lithuanians had to master the gathering of information (intelligence) about those states or international organisations which could have any influence on the shaping of Lithuania's foreign policy.<sup>22</sup>

The structure and role of the Ministry of Foreign Affairs was diverse: not merely restricted to formulating and identifying Lithuania's national interests, but also involving the recognition of states, the preparation and enacting of negotiations and the drafting of and eventually implementing treaties or other agreements. The dispensation of economic and material aid and the arranging of foreign visas all also fell under the aegis of the Ministry of Foreign Affairs but its activities were supervised by the Foreign Affairs Commission of the *Seimas*.<sup>23</sup>

In a post-Soviet (far less bureaucratic and structured) society, a significant problem faced by staff at the ministry was deciding which issues would be dealt with on what level of power. Between 1991 and 1994 there were three centres within the government structure which dealt with foreign affairs: the office of the president, the office of the prime minister and the Ministry of Foreign Affairs. Vytautas Landsbergis and President Brazauskas undertook many of the international relations duties, in fact both were criticised by both Lithuanian and foreign observers for spending too much time abroad and not enough time in Lithuania.<sup>24</sup> The advance in telecommunications technology has enabled most Heads of State to contact international counterparts with great ease even during times of crisis. Even during the Soviet clampdown in Vilnius in 1991, Landsbergis was able to contact President Gorbachev's office in the Kremlin although he was in the besieged Parliament building.<sup>25</sup>

To ease the problem of work-share throughout the ministry, vice foreign ministers<sup>26</sup> were appointed: one specifically in charge of co-ordinating foreign affairs by liaising with the Foreign Affairs Commission and the office of the president. This position was designed to cover the legal aspects of foreign relations and to take responsibility for answering questions relating to foreign affairs put to it by the *Seimas*.

Another vice foreign minister was in charge of liaising between the Ministry of Foreign Affairs and the prime minister's office. But hindering the development of these information channels in the years between 1991-1994 was the fact that decisions were made at different speeds in various departments and, proving to be a major legacy of the Soviet occupation, that Lithuanians were not practised at dispensing or willingly sharing important information. A further legacy, perhaps the greatest obstruction to the development of Lithuania's foreign policy, was that the Ministry of Foreign Affairs was not staffed during the period under review by professional, impartial civil servants. This led to a growing tendency for personal beliefs and values to hinder the decision-making process.<sup>27</sup>



Between 1991 and 1994, Lithuania's foreign policy decisions fell into two main categories. The first related to the structure of the Ministry of Foreign Affairs: the broad outline of foreign policy, the allocation and structure of embassies or missions and the appointment of ambassadors or counsellors, the handling of treaties and the deciding upon budgets. These issues needed to be handled predominantly by the president's office and the Foreign Affairs Commission of the *Seimas*. The prime minister's office could handle the other category of foreign policy decisions: the trade and finance agreements, the international movement of material goods and people and the distribution of aid and assistance.<sup>28</sup>

Given Lithuania's limited military capability in the face of aggression from a much stronger opponent, it was also necessary to establish a specific structure to handle crisis management. This entailed the establishment of a particular framework capable of seizing authority for decision-making, of building an emergency communication network between senior state officials and their offices, of devising liaison plans with other states (both with their governments and their mass media) and of creating action plans to be taken in the event of different crisis scenarios.

This was first tested by the Lithuanians at the time of the Soviet clamp-down in Vilnius in January 1991. Landsbergis had instructed Stasys Lozoraitis in Washington, D.C., to lead the government-in-exile if, as expected, he and his government in Vilnius were arrested by Soviet officials. One "action plan" proved successful: in 1990-1991, independence activists ensured that Lithuania received significant attention in the western media.<sup>29</sup> It was partly the massive western media presence which restrained the Soviet forces from committing further atrocities in Vilnius in January 1991.<sup>30</sup> The media was a valuable tool, and was often unofficially used in the creation of foreign policy during the 1991-1994 period.

Before foreign policy could be drafted or implemented, however, Lithuania's Ministry of Foreign Affairs faced a more daunting task: that of recruiting staff. Because of Lithuania's understandable concern for her security, the reliability of a person often took precedence over his/her knowledge of a foreign language or diplomatic ability. Nonetheless a working knowledge of either English or French was considered necessary.<sup>31</sup> Those who had displayed their loyalty to Lithuania by actively campaigning for her independence were favoured. This was a direct reaction to the Soviet occupation, under which (until 1988) virtually all traces of the distinct Lithuanian identity and sense of nationality were prohibited by law.

In his *Diplomatic Handbook*, R. Feltham described the essential characteristics for a career diplomat: he "must understand other countries, other cultures, must like people . . . he needs a knowledge and understanding of his own country . . . the determinants of its foreign policy priorities . . . A knowledge of the mechanisms and procedures of international intercourse . . . skills in negotiating day-to-day diplomacy, skills in observing, analysing and reporting, skill in representation, skill in management of a mission, skill in communication and public diplomacy, cross cultural skills. He must exercise political awareness, personal acceptability . . . and



leadership.”<sup>32</sup>

To the Lithuanian trainee foreign service staff, the above list of characteristics could appear daunting, but it certainly could not have been rigidly adhered to. Many of the initial recruits to the Lithuanian Ministry of Foreign Affairs, however, attempted to fulfil its more limited requirements: reliability, a good command of at least English or French, an interest in foreign states and a knowledge of world affairs, a willingness to be posted abroad, a broad knowledge of arts and sciences, a degree of empathy and an obvious willingness to understand people, the ability to work as part of a team and a talent for observation, analysis and reportage.<sup>33</sup>

Diplomats, however, are not the sole staff within any state's Ministry of Foreign Affairs. Perhaps more important than the diplomats are the civil servants, the supporting staff, as the behind-the-scenes work is vital to the successful formulation of any state's foreign policy. Lacking an impartial, qualified civil service, Lithuania had to take untrained workers into the Ministry of Foreign Affairs. Initial recruits required only professional clerical skills, a limited knowledge of foreign languages and the ability to work within a team.<sup>34</sup>

Deputy Foreign Minister Rokas Bernotas wanted to devise a series of entrance examinations to ensure that future employees of the Ministry of Foreign Affairs did, indeed, conform to these guidelines, but these had not come into effect by 1994. Therefore as in 1920, the first post-independence diplomats were mostly chosen by the foreign minister and the president, often on the basis of personal acquaintance. But during the years between 1991 and 1994 the Lithuanian Ministry of Foreign Affairs began working closely with the British Foreign and Commonwealth Office (FCO) on the development of an impartial civil service with the presence of permanent secretaries who would report to a minister who was a political appointee.<sup>35</sup>

Due to her position as a re-emerging state, Lithuania lacked a body of staff who could form the diplomatic core of the Ministry of Foreign Affairs. The most sought-after positions which needed immediate filling were the secretaries, counsellors and advisers. In the 1991-1994 period, older applicants were given preference as it was hoped that they could offer maturity and an experience of life and that they would be able to exercise authority. But these criteria did not necessarily prove to be such an advantage.<sup>36</sup>

Recruitment to the new Ministry of Foreign Affairs was hindered, however, by the lack of an official diplomatic service, unlike in the UK, for example. Although significant numbers of candidates applied to join the ministry in the first years of independence<sup>37</sup> the higher-calibre candidates targeted by the ministry were deterred from applying because of the lack of job security and pension prospects. Because the government was under pressure to reduce state expenditure, the starting salaries of members of the ministry were kept well below the level that could be earned in the private sector.

The creation of a fully-fledged diplomatic service in Lithuania will eventually alleviate these problems, by offering a fixed period of guaranteed employment and



advantageous wage levels, coupled with substantial retirement benefits. Having these privileges, Deputy Foreign Minister Bernotas hoped that the corruption of the diplomatic service could be prevented and that more capable candidates would be attracted to the ministry. But between 1991 and 1994 staff were only offered renewable contracts of between three and five years, with none of the added benefits inherent in a developed civil service.<sup>38</sup>

One of the earliest achievements of the new Ministry of Foreign Affairs was the establishment of the decision-making centre, based around the minister and his supporting staff. The most important subordinate to the minister was his personal secretary. By having to relegate the flow of information to the minister, the secretary was responsible for making key decisions. He also had to be able to exercise sufficient authority to prevent lower-ranked ministry staff from attempting to circumvent him and gain direct access to the minister.

The remainder of the decision-making centre was based around the vice ministers and junior ministers. They were responsible for liaising with the prime minister's office and the Foreign Affairs Commission, but were also in charge of supervising the supporting structures of the ministry. In order to distribute the workload, two members of staff were appointed to work in conjunction with the ministers, but these were specifically not career diplomats and were interchangeable throughout Lithuania's different ministries.<sup>39</sup>

Within the structure of the Ministry of Foreign Affairs, there were functional departments and specific area "desks." The functional departments were legal, protocol, press and information, economic, consular and property. In time, Lithuania's individual embassies should be able to have individual staff to devote to each functional department, as opposed to the current situation, where fewer staff work with an amalgamation of functions.<sup>40</sup> The world was divided into the following geographic "desks": Northern Europe and Scandinavia, Western Europe, Central and Eastern Europe, the Commonwealth of Independent States, Asia, Africa and the Pacific, and the Americas, plus separate desks for the United Nations, European Integration and the Organisation for Security and Co-operation in Europe (OSCE).<sup>41</sup>

The objectives of the Lithuanian Ministry of Foreign Affairs included the development of specific policy and the expression of it to the international community. It also involved formal international representation: the creation of missions or embassies (whose heads are the official representatives of the president), the conducting of international negotiations and the signing of binding treaties or agreements.

The ministry was also tasked with the gathering of intelligence: data on foreign issues which could in some way affect Lithuania. In a post-Cold War era, intelligence came from a variety of overt sources far removed from the covert methods used by the KGB during the Cold War years. While an established foreign service, such as the British FCO, has particular departments specifically for the collection and analysis of such information, the Lithuanian Ministry of Foreign



Affairs was heavily reliant on interpretations of foreign media reports rather than on independent assessments and analysis of local events by its diplomats.<sup>42</sup> There was not, by 1994, a fully operational overseas intelligence body similar to the British MI6 or the American Central Intelligence Agency (CIA) to perform such a task.

The Lithuanian government was therefore forced to use inexpensive, yet still global, sources of information. The best resource for this task was the use of major information agencies, in particular Reuters.<sup>43</sup> A significant amount of Lithuania's intelligence also came from key international newspapers, such as *The Financial Times*, and foreign affairs journals, especially *The Economist*, *Newsweek*, *Time* and *Foreign Affairs*. But these journals could not be relied upon to produce the most accurate information as all of them had some element of political bias. They were also somewhat of a hindrance to ministry staff as they often contained articles written in a more verbose style than that to which the staff at the ministry were accustomed: therefore they had to be condensed or re-written.<sup>44</sup>

With so much of Lithuania's foreign intelligence deriving from media sources, dealings with journalists were of the utmost importance to the staff at the Ministry of Foreign Affairs. This proved to be a problem, as, resulting from decades of Soviet occupation, Lithuanian diplomats were unused to dealing with the media. The ministry staff became aware that discussion in the media of what was perceived to be a national issue could harm Lithuania's foreign relations.<sup>45</sup> Ministry officials were therefore positively discouraged from talking to the media and this privilege was reserved for the minister and vice ministers. This led to a straining of relations between the ministry and the public, partly because any enforced blanket of secrecy was a legacy of the Soviet regime. There was also the belief that secrecy might be enforced to cover particular interests of the Ministry of Foreign Affairs or to escape public accountability.

Relations were further tested by the fact that officers within the press department were, like most of the other staff, recent employees with limited experience and little knowledge of the needs of the media. Other problems stemmed from the fact that the press department had little access to information about key issues under discussion in the ministry, which failed to improve relations between the ministry and the media. This could only be improved by the appointment of an experienced diplomat as head of the press department, who could then serve as an initial link between the ministry, politicians and the media. By the end of 1994, however, this had not materialised, and relations between ministry staff and their press department had deteriorated from the initial relative harmony and were therefore of little real use.<sup>46</sup>

Although Lithuania was not a prime target for security breaches, the staff of the Ministry of Foreign Affairs were nonetheless aware of the importance of maintaining sufficient levels of security. Although reliability was a primary factor for recruitment at the ministry, Lithuanians were well aware of the likelihood of staff corruption at a later date. The legacy of the USSR's KGB Security Force, with



its capability for attracting informers, especially by the use of blackmail, was omnipresent in Lithuania. In the initial stages of operation in 1991, the majority of ministry information was not classified, but, nonetheless, despite Lithuania not appearing to be a rational terrorist target, Lithuania's diplomats undertook basic preventative measures to ensure their security, such as the installation of security cameras and the provision of bodyguards for senior political figures. Some of the bodyguards, however, gained so much diplomatic experience, that they became diplomats in their own right.<sup>47</sup>

A highly symbolic act in the months which followed the regaining of an internationally recognised independent status was the restoration of former missions and embassies and the establishment of new overseas offices. These were seen as a visual expression of Lithuania's sovereign status. The size of each mission was considered irrelevant: its presence alone was sufficient. Due to the aforementioned budgetary considerations, the missions and embassies remained small, with minimal staffing. Their objective was primarily to represent the Lithuanian state, but this was coupled with an attempt to procure desperately needed economic assistance.

Many of Lithuania's missions during this period did not contain a member of staff employed directly by the Ministry of Foreign Affairs. The government, responsible for most of the ambassadorial appointments, therefore communicated with the mission directly, a process which served to confuse and hinder actions within the ministry. This situation was not eased by the fact that there was no single document which clearly explained the particular status of a mission or embassy and the activities it was expected to undertake. Therefore, many embassy staff found themselves not only promoting Lithuania's economic interests, but also handling the consular issues and media relations. This did not contribute to the smooth operation of the mission.

In the years 1991-1994 the Ministry of Foreign Affairs faced a dilemma: whether it was better to have more smaller missions or fewer but better staffed and equipped facilities. The latter option was chosen. Having committed Lithuania to an extensive foreign policy, it was necessary to establish missions in Lithuania's neighbouring states, in major world powers, at the headquarters of international organisations, regional organisations and in states that could become possible trading partners. But with still relatively under-developed communications links between the missions and Vilnius, Lithuania's diplomats faced the problem of being out of touch with the domestic political and economic situation. Many staff in the embassy in London, for example, could only discover what issues were dominating the Lithuanian political scene by reading press clippings assimilated by friends of the embassy staff.<sup>48</sup>

The appointment of ambassadors caused significant problems in Lithuania's first years of independence. A debate raged in the government over whether to use political appointees, as practised in the USA, or career diplomats, as used by the UK. Members of the Ministry of Foreign Affairs originally believed that a political



appointee would be perhaps a more representative figurehead for Lithuania, while a professional diplomat might prove to be too involved in the ministry and less aware of current political trends. But given the youthfulness of Lithuania's Ministry of Foreign Affairs, through lack of choice the majority of ambassadors appointed since 1991 often lacked proper diplomatic skills and did not develop particularly harmonious relations with the ministry.<sup>49</sup>

An attempt to combat this was made by the introduction of a short training period for all new ambassadors, with emphasis on their functions, duties and responsibilities. Staff of the British Foreign and Commonwealth Office explained to ministry officials, in an attempt to eradicate traditional Soviet forms of diplomatic behaviour still practised by some of the Lithuanian diplomats, that "it is not only what is said that counts but also how it is said and explained."<sup>50</sup> The Danish minister in London, A. Hugau, was appalled that after donating the use of the Danish Club in London as a venue for a reception celebrating Lithuanian Independence Day, no member of the Danish embassy was either invited to the reception or thanked for the use of the facilities afterwards.<sup>51</sup>

The specific role of the ambassador was to negotiate with the government to whose state she/he was accredited. The ambassador also reported back to Vilnius on the political, economic and social conditions of the state in which she/he was based and on the policy of its government. She/he was expected to provide an analysis of the political situation based on the opinions of local political leaders, officials and from other sources, such as journalists, who could offer a valid judgement on current affairs.

By 1994 Lithuania had missions or embassies in the United Kingdom, the United States of America, Belarus, Belgium, the Czech Republic, Denmark, Estonia, France, Germany, The Holy See, Italy, Latvia, Poland, Russia, Sweden and Ukraine. There were also representatives at the United Nations and the European Union. The government aimed to establish further missions in Finland and Norway, some Central Asian States, including Kazakhstan, Japan, South Korea, China, and Turkey and in some African states as soon as it became a financially viable proposition.<sup>52</sup>

The establishment of an embassy in the years between 1991 and 1994 was a complex procedure, often made more complex by the reminder (and sometimes also existence) of an embassy dating back to the previous period of independence. In order to clearly see the pitfalls encountered and challenges faced by Lithuania's post-independence diplomatic staff, a study of one of Lithuania's most important embassies, the London embassy, was undertaken.<sup>53</sup>

International recognition of Lithuania's independence was also reflected by the establishment of foreign embassies in Vilnius. By 1994 there were 20 foreign embassies in Vilnius.<sup>54</sup> H.E. Lars Magnusson, of the Swedish Ministry of Foreign Affairs, was the first ambassador to be accredited to Vilnius on 29 August 1991, although the Swedes had already established a presence in Riga and Tallin before independence had been officially accepted by the USSR.<sup>55</sup> Relations between



Lithuania and Sweden date back to the fourteenth century and even in 1991 there were approximately 100 ethnic Lithuanians resident in Sweden.<sup>56</sup> The ambassador recognised that public opinion on Sweden was extremely pro-Lithuanian: between 1990 and 1991 on every Monday at 1P.M. in one of the central squares of Stockholm, there were pro-Baltic demonstrations.<sup>57</sup>

Although by 1994 more Swedish investment had been donated to Latvia and Estonia, principally because of their closer geographic position to Sweden, some business links between south-eastern Sweden and Lithuania were forged. Most Swedish aid was directed at the Ignalina Nuclear Power Station. When the French withdrew from monitoring the project in 1994 because of fears for their safety<sup>58</sup> the Swedes assumed leadership and by February 1994 had earmarked US\$12 million for the power station.<sup>59</sup> By 1994 there were already 60 Swedish companies operating in Lithuania, targeting specific markets such as the automobile industry and the environment. Svenska Petroleum, working in a joint venture with the Lithuanians, was the first company to drill for oil in Lithuania. Although Sweden refrained from officially endorsing Lithuania's requests to join NATO and the EU, the ambassador did nothing to hinder this process.

H. E. Michael Peart was the first British ambassador accredited to Vilnius, arriving at the end of 1991. There were four staff in 1994, one of whom was Lithuanian. Ambassador Peart was extremely supportive of Lithuania and spearheaded the establishment of links between British and Lithuanian ministries, such as the Ministry of Agriculture and Fisheries, and other organisations such as the Strathclyde police force, which worked with the Lithuanian police force.<sup>60</sup>

As one of the biggest partners in trade and economic and political co-operation, the establishment of the German embassy in Vilnius was of great importance to the Lithuanians. Diplomatic relations were formalised in September 1991 and one of Bonn's most experienced diplomats, H.E. Reinhart Kraus, was appointed in October 1992. He had previously worked in Bucharest, Sofia and Tirana, which gave him some experience of the challenges faced by the post-Soviet satellite states and former Soviet Republics. His main tasks were to increase political dialogue between Lithuania and Germany and to intensify economic relations. In conjunction with the Riga and Tallin embassies, Baltic "cultural weeks" were organised in 1993 to establish and further strengthen cultural relations. Links were also developed between German and Lithuanian ministries. By 1994 there were relations, expressed in the form of agreements between almost every ministry in Bonn and Vilnius, including on help in the case of catastrophes, cultural agreements, treaties on agriculture and on crime fighting.<sup>61</sup>

A large amount of the German ambassador's work was concerned with visas. Lithuanians needed visas to enter Germany in the years 1991-1994 (10,000 visas were issued in the month of April 1994 alone<sup>62</sup>). The German government believed that the Central and Eastern European region was not especially stable during the years of transition and that the growing threat of crime was a valid concern. More serious, however, was the insecurity of Lithuania's eastern border. As relations



between Russia and Belarus strengthened, Bonn became increasingly aware of the likelihood of a potentially hostile Russia being on Lithuania's immediate border. Kraus believed that the need for visas would only be abolished "when we do not fear any uncontrolled influences on our country."<sup>63</sup> But, as with many foreign diplomats in Lithuania, while recognising the security threats facing Lithuania, the Ambassador was not prepared to openly support the request for blanket security guarantees or actively encourage Lithuania's applications to international (security) organisations. He called instead for the creation of "an integrated security system which takes into account the necessities and preoccupations of all the parties concerned," bearing in mind the interests of both Lithuania and Russia.<sup>64</sup>

Facing a similar reception from western states were Estonia and Latvia, both states establishing their embassies in Vilnius immediately following international recognition. Estonia already had a presence in Vilnius: it was the first mission in Lithuania of a state which still had no international recognition. The ambassador, H.E. Valvi Strikaitiene, finally presented her credentials to Landsbergis on 1 July 1992, having been employed as an adviser to the mission since 1991. She held a unique position among Lithuania's foreign diplomats in that she was married to a Lithuanian and spoke the language fluently. Estonia faced similar problems to Lithuania caused by the lack of the existence of a diplomatic service and the Ambassador, like so many in Lithuania, was not a professional diplomat, instead she was a translator, selected for a diplomatic appointment, like all her staff at the Vilnius embassy, due to her knowledge of Lithuania.

Most of Strikaitiene's work was devoted to the developing and strengthening of relations between Vilnius and Tallin and the expansion of economic ties. The Baltic States signed trilateral trade agreements immediately after international recognition of independence but Ambassador Strikaitiene accepted that their success would be dependent on "definite economic co-operation and much effort."<sup>65</sup> By 1994 there were over 40 Lithuanian-Estonian Joint-Ventures, mostly in the field of trade, but she wanted greater emphasis to be placed on joint ventures in actual production.

The ambassador advocated strengthening political ties between the two states and appreciated the assistance given by the Lithuanians regarding the matter of Russian troop withdrawals from Estonia. She highlighted the importance of organisations including the Baltic Council, Baltic Assembly and the Baltic Peacekeeping Battalion as signs of definite co-operation. But with her knowledge of Lithuania, she was well aware that Lithuania's alignments tended towards the states of central and eastern Europe, while accepting that Estonia was closely tied to Finland and the other Scandinavian states.

Creating embassies in Vilnius played a considerable role in the renovation and modernisation of the Old Town. The sixteen states represented in Lithuania all acquired handsome, yet run-down, structures and began the process of their restoration. The most drastic example of this was the acquisition and modernisation of the French embassy. The French Ministry of Foreign Affairs was attracted by a



large fourteenth century building on Daukanto Square, in the heart of the Old Town. It was sold to them for US\$1, on the condition that France paid for the entire process of renovation and reconstruction. Not a single external or internal structural detail was permitted to be changed, which led to the presence of a door in the main reception hall being only four feet high.<sup>66</sup>

Establishing embassies, however, was merely the start of Lithuania's re-integration into the international community. Needing to fulfil the criteria of geopolitical security, escaping from dependency solely on the former USSR for fuel and joining international organisations, Lithuania began to reaffirm historic links and generate new links with foreign powers. Relations with the UK flourished during the first years post-independence because both Landsbergis and Brazauskas enjoyed good relations with Prime Ministers Thatcher and Major.<sup>67</sup> The only official meetings between senior government officials of the two states were during President Brazauskas' visit to London in April 1993, which covered the issue of the Russian troop withdrawal from Lithuania, foreign investment in Lithuania, the development of Lithuania's banking system, migration and crime. Brazauskas also met with staff from the European Bank for Reconstruction and Development to discuss the re-introduction of the Litas.

There were, however, a number of joint British-Lithuanian projects during the 1991-1994 period conducted at a sub-governmental level. One of the first projects began shortly after the recognition of Lithuania's independence in September 1991, when the procurator fiscal in Scotland began working with the procurator in Vilnius and the head of the archives in Vilnius in tracing those suspected of committing war crimes. Under the Brazauskas government, Israel also became involved in this project, with a member of the Israeli *Knesset*, Dan Meridor, and one of the Simon Wiesenthal Centre Directors, Effrein Zuroff, spending time in Lithuania in June 1993 to establish a committee to review the rehabilitation files of those charged with committing "crimes against humanity." The second of the 15 most-wanted war criminals named by the Simon Wiesenthal Centre was Anton Gecas, resident in Scotland. After suing Scottish Television in 1992 over a programme which detailed his alleged offences during World War II, the presiding judge declared that "he was 'clearly satisfied' that Mr. Gecas was a mass murderer."<sup>68</sup> On 3 February 1994, however, the case was suspended, which angered those at the Simon Wiesenthal Centre and again soured relations between Israel and Lithuania.<sup>69</sup>

Beginning in 1992, links were formed between the director of the state harbour of Klaipeda, V. Greičiunas, and Capt. Bill Barker of the Port of London Authority, who advised on the restoration and renovation of Klaipeda Harbour. The Port of London Authority provided monetary and advisory assistance and this became one of the most successful and long-term joint projects. By 1994 there was still a large amount of work to be done on the restoration of the harbour, but the links with Britain were ensuring that the work continued to fulfil Klaipeda's potential as the key port of the south-east Baltic.<sup>70</sup>

There were also frequent visits to the UK in the course of 1992 from members



of the interior ministry, including Interior Minister Dr. Vaitekunas and the head of the police force, Arvydas Makstalė, to the Land Rover plant at Solihull. The Lithuanians purchased a number of Land Rovers, plus other police equipment, and also formed a relationship with the Strathclyde police force for training, thus cementing the relationship between the Strathclyde region, which possesses the second largest Lithuanian community in Great Britain and Lithuania.<sup>71</sup> A smaller project covered housing associations, a joint project between Dr. Jonaitis from the housing ministry and employees of the Department of the Environment in 1993, and a further project relating to financial policy, where advice was given to the Director of the Central Bank of Lithuania, Dr. Visokavičius, by the President of the Bank of England, in 1994.

While a number of joint ventures were therefore successful and beneficial to Lithuania during the 1991-1994 period, one of the projects which actually had the greatest potential, work between the British and Lithuanian ministries of Agriculture on the development of Pig Improvement Companies, failed to materialise. This was a direct result of the inability of both post-independence governments to enact a regulated policy on land reform. While the British Pig Improvement Companies believed Lithuania to be a perfect location for the establishment of pig farms, with the land and climate being eminently suitable, they were not prepared to invest while the ownership of so much of Lithuania's land was under dispute. This was to prove to be a severe blow to both the economy of Lithuania and future investment prospects.<sup>72</sup>

The UK, despite its small size and relatively small Lithuanian population, was a key player in Lithuanian events during the 1991-1994 years. It seems all the more remarkable, therefore, that the state with the largest Lithuanian population outside Lithuanian borders, the USA, actually provided relatively little assistance during the immediate post-independence period. The US Agency for International Development (AID) created a SEED Assistance Act in 1992<sup>73</sup> which was responsible for co-ordinating the transfer of monetary and material aid to Lithuania. US AID operated throughout the central and eastern European region and was funded by US taxpayers. The agency targeted its assistance according to the strategic importance of each country and if, as in the case of Lithuania, the country was seen to be advancing along the path towards a democratic state, the aid was scaled down and sent elsewhere.<sup>74</sup>

US AID worked in conjunction with Partners for International Education and Training (PIET), a US Non-Governmental Organisation (NGO), which was created in 1992 to undertake multi-sector training of business leaders and government officials in central and eastern Europe. PIET established a presence in Riga from where it could co-ordinate its work throughout the Baltic States, training individuals involved with making and implementing new, democratic policies. The programme in Estonia was judged successful and completed in early 1997, while those in Latvia and Lithuania were scheduled to be completed at the end of 1997.<sup>75</sup>

There was, however, surprisingly little activity between the two states between



1993 and 1994. This was partly due to the recalling and replacement of the Lithuanian ambassador to the USA, Stasys Lozoraitis, in May 1993. Lozoraitis was a popular figure in Washington, where he had been often resident following his exile from Lithuania in 1940. Although he had stood against Brazauskas in the presidential elections of 1992, Brazauskas stated that it was not for political reasons that he was being recalled, but that he had failed to “maintain proper contact” with the Ministry of Foreign Affairs in Vilnius. Landsbergis described this act as a great blow to Lithuania, as Lozoraitis was a recognised and trusted figure on the world stage, who had carried the torch for Lithuania during the years of occupation.<sup>76</sup> Lozoraitis’ successor in Washington was a political supporter of Brazauskas, the honorary consul in Los Angeles, Vytautas Čekanavičius.

Although the Clinton administration disapproved of the recall of Lozoraitis, the USA still provided some assistance to Lithuania between 1993 and 1994. US National Security Adviser Anthony Lake agreed to provide observers to monitor the Russian troop withdrawal, World Bank President Lewis Preston agreed to grant Lithuania credits to enable Lithuania to settle its debts to Russia for natural gas and Secretary of State Warren Christopher established a US\$50 million Baltic Enterprise Fund to assist businesses in the Baltic States.<sup>77</sup>

While there was little other official aid donated to Lithuania by the USA during this period, as it was spreading its financial resources across a vast stretch of central and eastern Europe, the importance of the USA was not underestimated by the Lithuanians, especially in the economic sphere. This importance was officially recognised in March 1994, when the Lithuanian currency, the *Litas*, was pegged to the US dollar at a rate of Lt.4:US\$1, in accordance with the Stability of the Litas Law passed on 17 March 1994.<sup>78</sup>

Lithuania’s critical geopolitical position, between the West and Russia, was highlighted by her foreign policy: while looking to states such as the UK and USA for assistance, Russia could not be ignored or alienated. Russian affairs concerned Lithuania for several reasons: at the start of this period there were still large numbers of Russian troops stationed in Lithuania and there was the territorial problem posed by the location of the Kaliningrad *Oblast*, with Lithuania sandwiched between the territory and the main landmass of the Russian Federation. Lithuania was dependent on Russia for its fuel supplies and most Lithuanian exports were destined for Russian and eastern markets.

Relations between Vilnius and Moscow were exceptionally poor under the Landsbergis government because of the loathing of Moscow by Landsbergis for the behaviour of Soviet troops in Vilnius in January 1991.<sup>79</sup> He was also sufficiently idealistic to want to abandon all links with Russia and to concentrate instead on the re-establishment of relations with western Europe. Russia retaliated to the hostility of Landsbergis by interfering with the regularity of fuel supplies to Lithuania. Throughout 1991-1992 there was only limited heat, hot water and energy for Lithuanian citizens, many of whom began blaming Landsbergis for their discomfort, which contributed to his lack of success in the 1992 elections.<sup>80</sup>



Relations improved slightly, however, with the victory of Brazauskas' LDLP (former Communists) in 1992. His victory was certainly partly due to the fact that he knew how to liaise with Moscow as a result of his tenure as first secretary of the Communist Party of Lithuania and that he enjoyed cordial relations with President Yeltsin. Nonetheless, Lithuanian attitudes towards Russia did not alter with the change in government.

The killing of Lithuanians at the Vilnius television tower by Soviet troops in January 1991 was, during the 1991-1994 years, a bitter memory.<sup>81</sup> In January 1993 the investigations into the massacre conducted by Prosecutor Juozas Gauditis concluded that the operation was undertaken with the full knowledge of Soviet officials. He learned that the former KGB head, Vladimir Krychkov, Deputy Interior Minister Nikolai Demidov, Deputy Defence Minister Vladislav Achalov as well as leaders of other Soviet military units had arrived in Vilnius on 8 January and had overseen the whole operation.<sup>82</sup> This made a mockery of former Soviet President Gorbachev's insistence that Soviet troops had been provoked by Lithuanian demonstrators. The conclusions of the prosecutor were applauded by many Lithuanians, but there were still, throughout the first two years of the Brazauskas government, a number of reasons for Lithuanian antipathy toward Russia to remain constant.

The issue of Russian troop withdrawal was the most controversial, because it was the most obvious reminder of the Soviet occupation. The agreement covering the troop withdrawal was only concluded on 30 September 1992 and began to falter by January 1993, when the National Defense Ministry reported that the withdrawal had fallen behind schedule due partly to the difficulties of relocating during the winter and partly due to the reluctance of the Russian troops and their dependents to leave Lithuania and relocate in Kaliningrad or Pskov.<sup>83</sup> Although the withdrawal was proceeding according to schedule by April 1993, in May Russian Defence Minister Pavel Grachev, in a visit to Lithuania, warned that the process could be delayed because of a shortage of railway cars to remove the troops: a statement which was ill-received in Lithuania.<sup>84</sup> But unlike in Latvia and Estonia, the Russians were true to their word and the withdrawal was completed on schedule on 31 August 1993. One hundred troops remained in the Radviliskis *Raion* to guard and load ammunition from warehouses and they remained there until the end of 1993, and an additional 41 troops remained in Klaipeda until 15 October to finalise the transfer of the Russian military facilities located there. The transfer did not proceed without difficulty, however, as the commander of the north-west group of forces, Col. Gen. Leonid Mayorov, failed to travel to Vilnius to sign the document formally noting the completion of the withdrawal.<sup>85</sup>

The removal of the Russian troops from their territory was a vital psychological victory for the Lithuanians, but Russia's military power still remained a significant concern, not only because of Russia's huge military reserves<sup>86</sup> but also because of the issue of troops withdrawing from East Germany transiting through Lithuania. The Lithuanians were highly opposed to more Russian troops passing through their



territory and began a series of negotiations with Russia to ensure that there was no danger to Lithuania's security. The border between Kaliningrad and Lithuania was a contentious issue: the Lithuanians were aware that drugs and arms could be smuggled into Lithuania across this border and wanted to limit troop transfers around this region.<sup>87</sup> On 3 January 1994 Russian trains were redirected around Lithuania, but an agreement initialled on 22 March 1994 allowed for the transit of troops to continue, as long as strict border controls continued. All Russian citizens required visas to enter Lithuania and as of 1 April 1994, this was reciprocated by the Moscow government.<sup>88</sup>

Despite the delicate issue of troop withdrawal, a more basic issue was the supply of fuel and energy to Lithuania by Russia. Lithuania was engaged in the construction of an oil-unloading terminal off Butingė on the Baltic coast, working in conjunction with Latvia, which also faced a similar fuel dependency crisis. It was hoped that upon its completion, fuel would be piped to Lithuania's refinery at Mažeikiai and therefore Lithuania would not be reliant on the whims of Russia to regulate her energy supply. But by 1994 this had not yet become the case.

In February 1993 Lithuania was forced to purchase 4 billion cubic metres of gas from the St. Petersburg company Lentransgaz. It was to be paid for in hard currency at a price of US\$82 per 1,000 cubic metres. By April 1993 the Lithuanians were having difficulty in repaying their loan and Russia threatened to cut off gas supplies. The prime minister of Lithuania, Adolfas Šleževičius, suggested that the debt owed to Lentransgaz be balanced by Russia's debt to Lithuania for transit and energy to Kaliningrad and a repayment for all the environmental damage caused by the Russian occupation of Lithuania. This offer was rejected by Lentransgaz, but the supplies of gas to Lithuania were not restricted.<sup>89</sup> On 13 April the crisis was partially alleviated by the announcement from the deputy energy minister of Lithuania, R. Tamošiūnas, that Russia had agreed to sell Lithuania 1.5 million tonnes of oil and repay debts amounting to 5 billion rubles. Payment of these debts, incurred by the energy and transit costs to Kaliningrad were to be transferred to the Lentransgaz debt of 21 billion rubles.<sup>90</sup>

The danger of having the majority of energy supplies deriving from one source was graphically illustrated in the summer of 1993. On 23 May Lentransgaz halved the supply of gas to Lithuania and cut off all supplies on 27 June because the Lithuanians could not honour their loan repayments.<sup>91</sup> Following meetings conducted between Russian Deputy Premier Sergei Shakrai and Lithuanian Prime Minister Šleževičius, supplies were restored. The Russian delegation also announced its interest in investing in the Lithuanian gas industry: purchasing 50 percent of the shares in the gas main, 20 percent of the Mažeikiai oil refinery and a controlling share of the fertilising plant at Jonava, Lithuania's largest gas consumer.<sup>92</sup> The Lithuanian government was faced with no choice but to agree to these proposals, because the economic investment was sorely needed. But Lithuania was then placed in an extremely vulnerable position of being dependent on the maintenance of good relations with Russia to protect its energy supply.



Good relations with Russia were also required for the continuation of Russo-Lithuanian trade, on which Lithuania was forced to rely. Trade was dependent on political relations between the two states. On 8 April 1993 Russia announced the establishment of a consulate in Klaipeda and on 14 April 1993 the former Minister of Material Resources Romualdas Kozyrovičius presented his credentials to Russian Vice President Aleksandr Rutskoi as Lithuania's ambassador to Moscow. In return, Valentinas Obiotyševas was despatched to Vilnius from Moscow. A most-favoured-nation trade agreement was signed on 18 November 1993 between Prime Ministers Chernomyrdin and Šleževičius which halved Russian duties on goods imported from Lithuania. The inherent tensions in relations between the two states, however, were highlighted in a political exchange between Presidents Brazauskas and Yeltsin on 1 April 1994, regarding the Russian president's refusal to ratify the trade agreement.<sup>93</sup>

Relations between the two states were therefore of the utmost importance to Lithuania during the years between 1991 and 1994. Despite Lithuania's desire to look West, by virtue of her geographic position, she was forced to maintain her links with the East. While dependent on Russia for energy and unable to adequately defend herself against Russian military aggression, concessions had to be made to appease Russia and reduce the danger of the developing of open hostilities. Enjoying a tolerable relationship with Moscow, Brazauskas was able to steer Lithuania along a conciliatory path, diffusing situations which could have led to increased tension, such as the transit of troops. While the legacy of the Soviet occupation remained too great for links between Lithuania and Russia to be anything more than cordial, Brazauskas, far more than his predecessor Landsbergis, did recognise the necessity for keeping relations smooth and did his utmost to achieve this during the 1991-1994 years.

Relations also had to be kept smooth with the other Baltic States, which was not as easy as had been believed. The first sign of unity came in Copenhagen in March 1992, when the three Baltic States joined with Germany, Denmark, Norway, Sweden, Finland, Russia and Poland to form the Baltic Sea Council. It was designed to be a forum in which issues of common concern not dealt with specifically by other organisations could be discussed. At a meeting in March 1993 in Helsinki, Estonia was unanimously elected as Leader of the Council.<sup>94</sup> The first tensions began appearing in the council shortly thereafter, when both Lithuania and Latvia opposed the decision to create a particular commissioner for ethnic minorities and human rights, because both states believed that this work was adequately undertaken by the OSCE's Commission for Ethnic Minorities.<sup>95</sup>

Bilateral, then extended to trilateral, co-operation agreements calling for the creation of a free trade zone and co-operation in the distribution of energy resources, were signed in 1993 and in the same year a permanent Baltic Defence Council was created. The designated Baltic Free Trade Agreement came into operation on 12 September 1993 and a Baltic Council began functioning on 31 October, to serve as an instrument for increased co-operation among the three



Baltic States and to co-ordinate legislation and policy on ecology, energy, economics, communication, culture, education, social issues, science, defence, security and foreign policy.<sup>96</sup>

Until 1993 the Baltic States faced a common problem of the continued presence of Soviet troops on their territory. Once Lithuania succeeded in having the last troops removed, this was not such a concern, but common fear regarding security, energy, transport and the admission into international organisations remained ever present. All three Baltic States expressed their support for President Yeltsin, in the belief that his leadership was the best guarantee for the maintenance of Baltic independence. At the same time, all three Baltic States were quick to condemn Russia's desire for a UN peacekeeping mandate for its "near abroad" as unacceptable in December 1993.<sup>97</sup>

Relations between the Baltic States were tested in the first post-Soviet years. The large Russian minorities in Latvia and Estonia were a constant concern in Lithuania and in February 1993 a dispute between Lithuania and Latvia arose over the extradition to Lithuania from Latvia of Sergei Parfenov. As the former OMON commander in Riga, he was wanted for questioning regarding the destruction of a Lithuanian customs post at Smelnyė on 23 May 1991. The Lithuanians were displeased that because of the signing of a Latvian-Russian extradition protocol in January 1993, Parfenov would serve his sentence in Russia.<sup>98</sup>

Inter-Baltic relations were tested still further when in March 1993 Estonia backed down from the common visa agreement signed by all three Baltic States in March 1992. The Estonian government justified this action by claiming that neither Latvia nor Lithuania had adequate control over their eastern borders. Under the new arrangements, citizens of approximately 40 states, including the UK and USA, could enter Estonia on a common Baltic visa, but all others would require a separate Estonian visa.<sup>99</sup> This action served to illustrate the weakness of the idea of pan-Baltic unity: the three states, though bound together by geography, were not politically or culturally in harmony.

Nor were relations with Poland especially harmonious during the 1991-1994 years. There were always some tensions inherent from years of shared, turbulent history and historical grievances over territorial disputes, which continued into the post-independence period, but following international recognition of Lithuania's independence, negotiations took place to draw up a Friendship Treaty between Poland and Lithuania. The first step towards co-operation during this period was the signing of a Polish-Lithuanian Military Agreement in Vilnius on 15 June 1993.<sup>100</sup> But the Friendship Treaty hit a stumbling block in its drafting because of the legacy of the continued territorial disputes.

In an attempt to conclude the treaty, Polish Prime Minister Hanna Suchoka met with Prime Minister Šleževičius on 26 July 1993, where they agreed to confine all references to "historical questions," that is, the territorial disputes, to a separate declaration. The Polish media interpreted this as meaning that the Lithuanians were prepared to drop the contentious clause in the treaty which related to the inter-war



Polish invasion of Vilnius. A further disagreement, which successfully stalled the July talks, related to the protection of the rights of the Polish minority in Lithuania.

A second round of talks to discuss the treaty was scheduled for 16-17 August 1993 in Vilnius between the two deputy foreign ministers. After a period of intensive negotiation, 20 out of the 26 points to be included in the treaty were agreed upon, but the contentious matter of "historical questions" and the preamble were not discussed. In December, Prime Minister Šleževičius paid a private visit to Polish Opposition Leader Aleksandr Kwasniewski of the Democratic Left Alliance Party (who was to become president in 1995). During the course of his visit, it emerged that the Lithuanian government had agreed to the designation of Vilnius as the "historical capital" of Lithuania, rather than insisting that Poland renounce the 1922 invasion.

Therefore the Lithuanian-Polish Friendship and Co-operation Agreement was finally signed on 26 April 1994.<sup>101</sup> On 28 February 1994 in an address to the Lithuanian Nation, President Brazauskas had stated that the "Treaty reflected territorial integrity, with Vilnius and Warsaw as the capitals, and the inviolability of the borders between the two states."<sup>102</sup> The difficulties which had blocked the signing of the treaty were only resolved eventually by omitting them from the final draft and stressing good relations. This was an adequate short-term solution, but one destined to cause problems in the future.

While political relations between Lithuania and Poland were, therefore, cordial on paper, the historic grievances remained. These were illustrated by the tensions and subsequent delays always encountered at the Lithuanian-Polish border crossings and the fact that many Lithuanians were aware of a hostile reception from Poles: many were aware that it was unsafe to drive across Poland; there was a significant risk of "carjacking."<sup>103</sup>

There were equal tensions with the state of Belarus, despite the determination of political leaders of both states to implement their Free Trade Treaty signed on 16 March 1993 and to improve economic and trade co-operation. These tensions were based on security and defence-related issues, which are covered in more detail in the following chapter. But the treaty concluded with Belarus, Lithuania's first Free Trade Treaty with a former Soviet republic, was mutually beneficial for both states. Belarus purchased 4 billion kilowatt hours of electricity, fertilizers, electrical equipment and consumer goods from Lithuania, which in return purchased tractors, trucks, motor oils, chemical products and raw materials for light industry.<sup>104</sup>

More amiable relations were enjoyed with the Scandinavian states. Iceland was the first state to recognise an independent Lithuania on 23 August 1990, long before international recognition was universal. This mattered far more than the donation of material aid and was something for which most Lithuanians were extremely grateful.<sup>105</sup> As a measure of gratitude, President Brazauskas paid his second overseas trip as president to Iceland on 18 March 1993.

Relations with Denmark were equally important: Brazauskas' first foreign trip as president was made to Copenhagen on 17 March 1993. Denmark had been at the



forefront of states aiding Lithuania since the recognition of its independence in 1991. Danish Foreign Minister Uffe Elleman Jensen had a particular interest in Lithuania and was determined to provide as much aid as possible. It was not until the election of the Brazauskas government that this assistance was really valued. Attempts had been made to provide assistance in the reconstruction of Lithuania's Ministry of Foreign Affairs in 1991-1992. Elleman Jensen had offered members of the Danish Foreign Service to go to Lithuania and work as shadows for the trainee Lithuanian diplomats. This offer was rejected outright by Landsbergis, who was too proud to accept such a generous offer of help, believing that the Lithuanians were more than capable of reconstructing their foreign service without any overseas assistance. This was a grievous error and was certainly (partly) responsible for a number of serious breaches of diplomatic protocol and ineffective operations of the Lithuanian Ministry of Foreign Affairs in the 1991-1994 period.<sup>106</sup>

The installation of the Brazauskas government in 1993 led to an increase in diplomatic activity between Denmark and Lithuania. On 16 March 1993 an inter-governmental agreement was signed between Lithuanian Energy Minister Leonas Asmantas and Danish Interior Minister Biter Weiss on the exchange of information and co-operation in the field of nuclear safety and protection against radiation, designed to safeguard the Ignalina nuclear power station. This complemented the assistance being provided by the French and the Swedes. In the course of 1993 Denmark began playing an active role in the training of the Baltic Peacekeeping Battalion (BALTBAT) and this assistance was greatly valued by Lithuanian commanders, cementing the relationship between the two states.<sup>107</sup>

Relations with Norway, Finland and Sweden were also of great importance to Lithuania during the 1991-1994 period. All the Scandinavian states provided economic and material aid to Lithuania (although Finland devoted most of its resources to Estonia) and this enhanced relations throughout the region.<sup>108</sup> By the end of 1994, relations with the Scandinavian states (Denmark, Finland, Iceland, Norway and Sweden) were coupled with Estonia and Latvia in what was referred to as the 3+5 format. In his Presidential Address of January 1994, President Brazauskas stressed their "common outlook on problems, such as the ecological problems of the Baltic Sea region."<sup>109</sup> He also emphasised the importance of "strengthening regional security and [ensuring] the democratic evolution of Russia."<sup>110</sup>

Lithuania's international relations were not confined to merely her immediate geographical vicinity. For a small state, they were extremely widespread. This reflected Lithuania's geopolitical position as a bridge between East and West. Relations were maintained with many of the former Soviet Republics, especially Tajikistan, Kazakhstan and Ukraine, with former Soviet satellite states, especially the Czech Republic, Slovenia and Croatia (formerly part of Yugoslavia) and Romania and with those further abroad, such as Kuwait and China. Ties with western Europe also merited importance, especially with France and Germany, with whom Lithuania had enjoyed a fruitful relationship in the inter-war years. These



primarily took the form of treaties which provided economic assistance and cultural co-operation.<sup>111</sup>

In the course of the period under review, relations also had to be cultivated with international organisations. Her aspirations to join security organisations such as NATO are covered in the following chapter. Lithuania's entry into the United Nations was the immediate consequence of international recognition and its importance cannot be under-estimated. Lithuania's ambassador to the UN, A. Simiutis, was an active member of the UN from Lithuania's admission to the organisation on 17 September 1991, and in return he demanded UN assistance in the monitoring of the Russian troop withdrawal from Lithuania in the course of 1992-1993.<sup>112</sup>

Admission into the UN was just the start of Lithuania's campaign to enter international organisations. For economic, political and security reasons, Lithuania was, like all the states in the former Soviet sphere of influence, desperate to enter the European Union. Little thought was paid at this time, however, to the actual consequences of joining a federal Europe. Debates on sovereignty and the power of common European institutions, such as those which led to the creation of the Referendum Party in the UK in 1995, were conspicuously absent from the Lithuanian political agenda during the 1991-1994 period as the security guarantee, an inherent concomitant of membership of the EU, was of far greater importance to Lithuania.<sup>113</sup> In his presidential address of January 1994, Brazauskas admitted that "Lithuania . . . looks most favourably upon the European Union. However it is very poorly informed about what that is, and what membership . . . would concretely mean for Lithuania . . . Society's outlook is more emotional than rational. [They] think that joining the European Union is tantamount to entering Eden: [they] are wrong."<sup>114</sup>

Lithuania was admitted into the Conference for Security and Co-operation in Europe in 1991, the Council of Europe in 1993 and received Associate Member status of the EU in the same year.<sup>115</sup> Lithuania convinced a delegation from the European Parliament which arrived in Lithuania in May 1993, headed by Kirsten Jensen, that it was not guilty of any human rights or minority abuses, which would have prevented admission into the EU. Lithuanian ministers argued that Lithuania had a better record on the treatment of minorities than many of the Central and Eastern European states applying for EU membership.<sup>116</sup> But by 1994, despite fulfilling the human rights criteria and the economy beginning to stabilise, Lithuania was no closer to admission to the EU than in 1991. Although foreign monitors of events in Lithuania, including the British Ambassador Michael Peart, believed that Lithuania would eventually enter the EU, this was not likely in the near future.<sup>117</sup>

Although failing to gain entry into the most desired international organisations, NATO and the EU, Lithuania did, in the years between 1991 and 1994 join numerous international organisations, all a measure of her re-integration into the international community.<sup>118</sup>



Re-establishing foreign political relations was not the sole means by which Lithuania began to re-integrate itself into the international community. Participation in international events was seen by ordinary Lithuanians as further recognition of their sovereign status.<sup>119</sup> The most significant of these was their return to the Olympic Games, in February 1992 in Albertville, France, and then in the summer games in Barcelona in 1992, made all the more appreciated by the success of discus thrower Romas Ubartas, who won a gold medal and the national basketball team which scooped the Bronze medal. Lithuania had participated in the 1924 and 1928 Olympiads and Lithuanians had played on USSR teams during the occupation, but seeing the Lithuanian flag paraded at the winter and summer games of 1992, watched by Landsbergis in the VIP stand with other world leaders, were truly auspicious moments for the Lithuanian people.

A far less auspicious moment, though still a feat of re-entry into Europe, was the debut of Lithuania in the Eurovision Song Contest in 1993. Although the contest is seen largely as a farce by the population of western Europe, it was highly important to the Lithuanians, as it brought them into direct contact with the West. Lithuanians were desperate to be perceived as “European” and entering a European-wide competition was a definite sign that they were finally beginning to be accepted as such.<sup>120</sup> The Lithuanian entrant, Ovidijlis Vyšniauskas (chosen by a Ministry of Arts Committee), was, however, far less successful than the Olympic medal-winning basketball team (who became national heroes upon their return to Lithuania). Vyšniauskas failed to be awarded even a single point from the panel of Eurovision judges and thus Lithuania was eliminated from the following year’s contest.<sup>121</sup>

Lithuania also participated in a number of sporting fixtures, primarily football. They played a number of qualifying games for the 1994 World Cup, but failed to reach the finals in the USA. Teams also participated in European championships, again, with only limited success. Greater success came in basketball, where the national team, composed predominantly of players from the Žalgiris team, won convincing victories: eleven out of eleven at the European Olympic Qualifying Tournament at Saragossa, Spain. Sarunas Marčiulionis, voted Lithuania’s Most Valuable Player in 1992, was signed by the NBA’s Golden State Warriors in the USA in 1991, and had a large Lithuanian following.

Lithuanians also excelled in rowing, with teams at the Olympics and the international regattas at Lucerne and Henley, where although not among the prize-winners, participation alone as a recognised Lithuanian national was a great achievement in the eyes of the Lithuanian public. The Lithuanian Rowing Federation took out an agreement with Henley Royal Regatta on 6 November 1991 to allow for entry into international competition.<sup>122</sup> The Lithuanians were, however, hindered by both a lack of funds and sponsorship and an inability to transport their equipment. They were reliant on the generosity of British rowers and clubs to donate boats.<sup>123</sup> Other sports in which Lithuania participated on an international scale included rifle and pistol shooting, cross-country skiing, biathlon and



equestrian sports, especially dressage.

On an altogether different level, Lithuania participated in the Aerobic World Championships from 1991. Two pilots, Jurgis Kairys and Stepas Artiskevičius (deceased in 1981), had trained with the USSR's aerobatics team working with the Sukhoi Company, where Kairys was chief test-pilot in the USSR for aerobatic aircraft, especially the SU-31. Kairys competed on behalf of the USSR from 1986 and first competed for Lithuania at the 38th *Salon d'Aeronautique* at Le Bourget in Paris in 1991.<sup>124</sup>

As Lithuania was brought into the public eye, tourism increased, which was another form of re-integration into the international community. During the years of the Soviet occupation, Lithuania had been a key tourist destination for citizens of the former Soviet Republics, but western tourists were desired, partly for their hard currency. In the dying years of the USSR, the state-run travel service, *Intourist*, organised brief tours to Lithuania via Moscow and Leningrad, but tourism only really began to flourish in the post-independence years. With eastern and central Europe capturing westerners' imagination in the years following the collapse of the USSR, Lithuania had the potential to become a significant tourist destination.<sup>125</sup>

From 1991 numerous hotels were either constructed or renovated throughout Lithuania. Lithuania's largest cities: Vilnius, Kaunas, Klaipeda and Siauliai had all possessed Soviet hotels catering to visitors from other Socialist Republics, but these were far below standards demanded by western visitors<sup>126</sup> Some former Soviet hotels were closed and renovated, others were taken over by Dutch and Swedish companies and a further selection were modernised on the initiative of Lithuanians. A few hotels, however, remained run along Soviet-style lines and became unsafe for westerners.<sup>127</sup> Compared to western rates, the prices for Lithuania's most luxurious hotels were extremely reasonable,<sup>128</sup> but were still beyond what most Lithuanians could afford. But by the end of 1994 there were still no recognised international chains of hotels in Lithuania, which hindered the growth of tourism.<sup>129</sup>

Unlike in Russia, however, where by 1994 tourists were definitely unsafe, Lithuanians tended to treat foreigners with a great deal of respect and Lithuania was regarded as a "safe" tourist destination. Many Lithuanians saw this as a demonstration of their civilised, European origin, as opposed to the uncouth behaviour of their Slav, Russian neighbours. The production of comprehensive English-language guides and the establishment of a tourist information agency both contributed to the opening up of Lithuania and its re-integration into the international community. By the end of 1994, tourism was still at modest levels, but was beginning to develop and would, no doubt, increase as the years passed.<sup>130</sup>

Prior to the restitution of Lithuania's independence, travel to Lithuania had been extremely difficult, involving routing the journey through the Russian Federation (usually either through Moscow or Leningrad). With independence came increased access to and from the West. In 1991, Lithuania became the first of the former Soviet republics to form its own airline, breaking away from the Soviet carrier



Aeroflot. Lithuanian Airlines (LAL), whose general director was Stasys Dailydkas, was originally composed of the old Aeroflot aircraft requisitioned by the Lithuanian government<sup>131</sup> but one western Boeing 737-200 was leased from Ireland and a deal was concluded in late 1994 for the purchase of two Boeing 737-500, due to enter service in the second quarter of 1995.<sup>132</sup>

Passenger numbers of LAL grew at around 20 percent per annum from 1991 and rose to 209,000 in 1993. In 1993 LAL was able to make 3,854 scheduled and 1,346 charter flights and revenues rose by between 25-30 percent.<sup>133</sup> By the end of 1994 LAL was operating 18 flights per day, with direct connections to Amsterdam Schipol, Berlin Tegel, London Heathrow, Paris Charles de Gaulle, Copenhagen, Frankfurt, Stockholm, Warsaw, Kiev, Moscow Sheremetevo-1 and St. Petersburg.<sup>134</sup> Special arrangements were also made with Icelandair for passengers to fly from Vilnius to New York City via Copenhagen on a thrice-weekly service from January 1994. Other links were also forged with SAS to enable visitors from the USA and Canada to reach Lithuania. Marketing arrangements were also concluded with a number of US and European airlines including British Airways, Transworld Airlines (TWA) and Northwest Airlines. To assist it in the transition from a route system based around Russia to one redirected toward western Europe, LAL employed the services of a Canadian consultancy, International Industries. Their principal aim, according to spokesman Tom Currie, was to “create a large regional airline with international connections . . . to give our passengers a seven-day-a-week possibility to fly to the USA.”<sup>135</sup>

The formation of LAL was a key moment in the rebirth of an independent Lithuanian state: a modern symbol of national identity.<sup>136</sup> To protect this symbol, the Lithuanians were reluctant to link their airline with the Latvian-Estonian collaborative venture Baltic Airlines, preferring instead to concentrate on establishing more permanent links with western Europe’s principal air hubs. Upon its formation, LAL was immediately recognised by the International Civil Aircraft Organisation (ICAO) and by the International Association of Travel Agents (IATA). This was an achievement of which the Lithuanians were justifiably proud, as it was both an important element of the process of re-integration into the international community and it established LAL’s reputation as a legitimate, and more importantly, safe carrier.

Air travel was seen as the principal method of transport to Lithuania. To cope with this sudden influx post-independence, Vilnius airport was completely rebuilt and modernised. Foreign airlines began operating flights to Vilnius, including Lufthansa, Austrian Airlines, LOT, Malev, SAS, Swissair and, of course, Aeroflot, and this facilitated an increase in tourism between the years 1991 and 1994.

Other methods of reaching Lithuania, however, were both less efficient and more complicated. There were numerous train connections, but many of these, although being touted as “express” links, were, in comparison with western European railway systems, both slow and uncomfortable. Delays crossing the Lithuanian border hindered the efficiency of the rail network as means of bringing



foreigners into Lithuania and all trains heading West had to pass through Grodno in Belarus, which meant that passengers required a Belarussian transit visa, adding an extra complication to the journey.<sup>137</sup>

The principal inter-war method of travel to Lithuania had been the ferry from Germany to Klaipeda. Following the restitution of independence in 1991, two ferry companies began operating: from Kiel and Mukran, the journeys taking 30 and 18 hours respectively in (by western standards) primitive conditions. Their advantage was that they avoided the lengthy wait at the Polish border, but with safety at the forefront of people's minds, especially after the "Estonia" disaster of 1994, ferries were not, by the end of 1994, a practical and widely used method of reaching Lithuania.

Foreigners (tourists) were also discouraged from travelling to Lithuania by car because of the difficulties encountered in entering Lithuania. At the Latvian and Russian borders the wait tended to be only around an hour, but at Medininkai on the Belarussian border it could take several hours and at Laždijai on the Polish border the wait could last several days. Once inside Lithuania, however, concessions were certainly made for the car-driving foreigner, because of the inefficiency of the public transport system. International companies Hertz and Avis were quick to establish offices in Lithuania in 1991 and, in a feature uncommon in western Europe, provided cars with accompanying drivers. Many of them had a (basic) understanding of either English or German to counter the difficulties posed by the lack of knowledge of Lithuanian possessed by many visitors.

Further connections with the international community were made during the 1991-1994 period as the process of "town-twinning" began to operate. This was enacted mainly by the Union of Lithuanian Large Towns working in conjunction with organisations such as the British-based Friendship Link. The concept of town-twinning is one to which little importance is attached in the West, but to the Lithuanians it assumed great importance because it was again seen as a sign of international recognition and of re-emergence into the international community. The Union of Lithuanian Large Towns was tasked with the process of finding suitable twins and it was here that the greatest hurdles had to be overcome.

The Lithuanians wanted to form links with European and American towns to reflect the historic bonds between Lithuania and the West, but there were problems in finding similar towns to twin with, because in theory they needed to have similar economic and social conditions. For example Vilnius should have been twinned with London, because of their joint status as capital cities. Instead, Vilnius was first twinned with Madison, Wisconsin, in the USA, a small town, unheard of by the majority of the world's population. It was impossible to match economic and social conditions of any Lithuanian city with a western European or American city of a similar status.<sup>138</sup>

The concept of town-twinning took a slightly different turn from 1992, however, when the Christian-based Friendship Link was created to "extend the hand of friendship to the new democracies, to promote political and cultural



relations with these new emerging democracies and to improve the understanding and awareness of the development and changes in the New Democracies.”<sup>139</sup> The directors of Friendship Link began investigating the possibility of twinning towns based on status (apart from their rank as capital city, second city *et cetera*). By this process, Vilnius became twinned with Cambridge, England, because they each had respected, medieval universities.<sup>140</sup>

In the four years following the restitution of independence, Lithuania made giant leaps along the path towards re-integration into the international community. Her status changed from being a republic of the former USSR, whose representation abroad had been limited to exiles assuming an unofficial role as spokespersons for an unrecognised state, to an internationally recognised republic, with numerous foreign accreditations. Within the first four years, the Ministry of Foreign Affairs was operational, although not without the inevitable teething troubles inherent in the creation of any new state office, and a fledgling diplomatic service was also functioning. Lithuania had established relations with numerous states worldwide, rather than confining her attentions to the immediate region, demonstrating her unique geographical position as a bridge between East and West. Lithuania not only joined international organisations, but also began participating in international events, actions which were elements of the process of rejoining the international community and were greatly appreciated by the Lithuanian population.

But re-integration into the international community was not nearly as effective as had been hoped by so many<sup>141</sup> at the start of this period. While Lithuania gained entry into some institutions, most important the UN, others, such as the European Union, remained closed to her, primarily because of her uncertain and unstable geopolitical position, and this hindered her evolution in the post-Soviet years. Although Lithuania had been able to re-enter the international sporting arena, this was far more a symbolic gesture and had little political significance.

Critically affecting her development from 1991 was the attitude of her governments. The Landsbergis government was a real impediment to the establishment of Lithuania's foreign relations: Landsbergis' insistence that Lithuania look only to the West and fracture all ties with the East, with a conscious rejection of all Soviet government practises, was to her detriment. His unwillingness to accept the proffered foreign assistance, and the assistance of Lithuanian communities worldwide, cost Lithuania dearly. This attitude obstructed the pace of development of her Ministry of Foreign Affairs, which was a vital piece of her government structure, and thereby offended and alienated those states and groups which had previously been so willing to assist in Lithuania's regeneration. Lithuania's foreign policy was over-ambitious in nature and thus appeared amateurish to western observers: this was particularly apparent when studying the re-establishment of Lithuania's overseas missions.

Despite the success of the LDLP in the 1992 elections, the damage to the development of Lithuania's foreign affairs had been done. Two years of idealistic



policies meant that Lithuania had not achieved all that had been hoped for in the first years of independence. Brazauskas was more realistic: prepared to reaffirm links with the East as well as the West and in the last two years of the period under review, Lithuania's foreign policy finally began to take shape. But Brazauskas was also hindered by the continuing influence of the former USSR and the geopolitical position in which Lithuania was left following its collapse.

Crucially, Lithuania's geopolitical position prevented Brazauskas from achieving his desired goals: because of the instability of the region, other states were reluctant to establish anything more than superficial relations with Lithuania and it seemed as if this would remain the case in the years following 1994. Upon the restitution of independence, Lithuania's geopolitical position had influenced the direction her foreign policy would take, but it was also geopolitics which ensured that the principal objectives of obtaining entry into European and transatlantic structures would remain unfulfilled.

## Notes

1. President Algirdas Brazauskas in a speech to the Council of Europe Parliamentary Assembly, 14 April 1994.

2. Bernotas, R. *Is Lithuania at the Crossroads?* 13, a paper presented at St. Anthony's College, Oxford, June 1993.

3. Hiden, J. and P. Salmon. *The Baltic Nations and Europe*, Longman: 1991, 9.

4. Lithuania is not alone in this respect. The UK's position as an island state has always influenced its political position and was one of the contributing factors to its original decision to remain outside the European Community after its creation, although that decision was subsequently overruled. The course of Finnish history has also always been dependent on geographic location: the need to relate to and cope with the presence of her monolithic Russian/Soviet neighbour, a position with which Lithuania could truly empathise. Very few states are of the size and strength to be able to ignore the importance of geopolitical influences. Even during this century, monolithic states such as China and the USSR have suffered invasions by smaller states.

5. *Presidential Address* January 1994.

6. See Appendix 2 for a breakdown of population structure.

7. A. Saudargas, Minister of Foreign Affairs 1990-1992, interview, 22 June 1994. He was not only reflecting the view of the Lithuanian government, but also of many Lithuanian people, who saw being linked with the other Baltic States as a definite hindrance to breaking away from Russia. Throughout the course of the twentieth century, many Lithuanians have been opposed to being grouped together *en masse* with the other Baltic States, as it is believed that this is done purely for geographic reasons with no importance attached to the definite ethnic and cultural differences between Lithuania and the other two states. For example, the Roman Catholicism of Lithuania versus the Lutheranism of Latvia and Estonia, which is the most marked cultural difference, or the linguistic differences between all three states: Estonian being a Finno-Ugric language and Lithuanian and Latvian being Baltic, although Lithuania's close link to the ancient Sanskrit separates it from the Latvian tongue.

8. H. E. Michael Peart, British ambassador to Lithuania, interview, 23 June 1994.



9. Rauch, G. von. *The Baltic States* C. Hurst & Co.: 1974, 103-106 on Lithuanian-Polish relations and the Klaipeda issue.

10. "Even letters from Lithuania to Poland went via Latvia or Germany." Rauch, G. von. *The Baltic States*, 106.

11. Thorne, C. *The Approach of War*, Macmillan: 1967, 108-109.

12. Petras Varkala, official of the Ministry of Foreign Affairs, 1925-1940, interview, 17 July 1995.

13. Petras Varkala, official of the Ministry of Foreign Affairs, 1925-1940, interview, 17 July 1995.

14. Hiden, J. and P. Salmon. *The Baltic Nations and Europe*, 90.

15. Hiden, J. and P. Salmon. *The Baltic Nations and Europe*, 90. One of Lithuania's most successful exports to Germany was geese, approximately 1-2 million per year. But when Hitler began pressuring Lithuania for the return of Klaipeda, he ordered the cessation of all geese imports, leading to a dramatic goose surplus in Lithuania. Smetona's government ordered all civil servants and private companies to eat all the geese (approximately 30 per person!). Lithuania ceased producing such vast quantities of geese in 1939 and concentrated her efforts on pigs instead, as the majority of pork products were exported to the UK. Source: Petras Varkala, interview, 20 October 1994.

16. Terms of the renewal of the Anglo-Lithuanian Commercial Treaty, 30 June 1936.

17. Petras Varkala, interview, 20 October 1994. A sentiment still very much echoed at the present time.

18. In 1991, there were approximately 1,106,200 emigres and those of Lithuanian origin, according to the Lithuanian Ministry of Foreign Affairs Department of Regional Problems and National Minorities. See also Van Reenan, A. *Lithuanian Diaspora: Königsberg to Chicago*, University Press of America: 1990. See Appendix 2 for details of the Lithuanian Diaspora.

19. Many educated Lithuanians born in the inter-war years, however, had a reasonable fluency in German, particularly if they originated from the area around Klaipeda, or French, which in that generation was perceived as a language of culture. Some, but not as many Lithuanians, also had a working knowledge of English. During the occupation, this skill came in useful for listening to European radio stations, when the signals were not jammed by the Soviet authorities, but there was little other practical use for these languages. Russian became the automatic second language.

Following the restitution of independence, the linguistic skills, however rusty, of the older generations have come into use. The younger generations, however, are now frantically learning English, which is seen by the majority of people as the most useful language to master. Western states are aiding this process: a programme established by the University of St. Andrews in Scotland in 1994, sends newly-graduated students to a number of schools in Lithuania for a year to assist in the teaching of English. The Rotary Foundation is also responsible for bringing Lithuanians of all ages over to the UK for both the study of English and for further education.

20. Deputy Foreign Minister Rokas Bernotas, one of the participants in the Programme, interview, 7 September 1993.

21. Vytautas Landsbergis, interview, 22 June 1994.

22. Deputy Foreign Minister Rokas Bernotas, interview, 14 October 1995.

23. C. Stankevicius, interview, 22 June 1994.

24. Lieven, A. *The Baltic Revolution*, Yale University Press: 1993, 259, on criticisms of Landsbergis' foreign visits. Brazauskas did not escape censure either: in 1994 there was



significant opposition to his decision to purchase a presidential private jet. It was felt by delegates in the *seimas* that this was an entirely unnecessary move; the US\$14 million that the plane cost would have been far better spent in other areas.

25. As told to me by one of Landsbergis' aides in an interview, 23 June 1994, who was with him during the siege. The importance of telecommunications was highlighted as early as 1962 with the Cuban Missile Crisis, when President Kennedy was able to communicate with General Secretary Khrushchev via a dedicated "hotline."

26. The term "vice foreign minister" sounds extremely awkward to the English ear, which is more used to the term "Deputy Foreign Minister," but the vice foreign ministers in Lithuania were all adamant that this is their title, although some have now changed to "Deputy".

27. A. Hugau, Danish minister in London, interview, 17 March 1995, regarding the challenges faced by the Lithuanians in re-establishing their Ministry of Foreign Affairs.

28. Bernotas, R. *Establishing a New Foreign Service*, 7.

29. Members of the Lithuanian community in London were actively involved in ensuring that British and German journalists were kept informed of events in Lithuania.

30. Bridget Kendall of the BBC, interview, 4 February 1994, is convinced that it was indeed the western media presence which led to a cessation of violence against the Lithuanians by the Soviet forces. Thanks to the work of Lithuanian exiles in London, newspapers such as *The Financial Times* and *The Independent* were staunch supporters of Lithuanian independence.

31. Though as will be seen in a case study of the Lithuanian embassy in London later in this chapter, the term "working knowledge" can be interpreted in many different ways.

32. Feltham, R. *Diplomatic Handbook*, Longman: 1988, 25.

33. These guidelines were suggested by Deputy Foreign Minister Rokas Bernotas in 1992. Although considerably more relaxed than the guidelines laid down by Feltham, many of Lithuania's diplomats only barely fulfilled these criteria, which meant there was actually little real benefit for Lithuania in the long term.

34. Interview with Deputy Foreign Minister Rokas Bernotas, 18 June 1994.

35. Ambassador H. E. Michael Peart, interview, Vilnius, 22 June 1994.

36. See Appendix 1 for a case study on the Lithuanian embassy in London.

37. Exact figures of applicants are not available, but members of the ministry were unanimous in their opinion that it was a large number of people: they were so swamped with applications that they had to rely mostly on candidates proposed via personal acquaintance because they could not physically process all the applications.

38. A British diplomat, interview, 26 July 1995 on the necessity of an established diplomatic service.

39. Deputy Foreign Minister R. Bernotas, interview, 14 July 1996.

40. See Appendix 1 for a case study on the Lithuanian embassy in London.

41. The supporting units fundamental to the smooth operation of the Ministry of Foreign Affairs included the Department of Finance and Accounting, responsible for all expenses incurred by the embassies, ranging from basic travel and living allowances to the more lavish entertainment budgets; Archives; Supplies; Property and Resources Management; Security; Information Technology; Diplomatic Mail and Courier; Personnel and Training Units.

42. First Secretary A. Misevičius, interview, 4 February 1995.

43. The late Dr. A. Nesavas, charge d'affaires in London in 1994, was one of many ministry staff who was a great devotee of Reuters. Other services used included the Associated Press, the Economist Intelligence Unit and Jane's Information Group.



44. Erikas Petrikas, political counsellor at the London embassy, interview, 24 July 1996.
45. Staff at the ministry became increasingly concerned about this in 1994, when they witnessed the UK's relations with Malaysia deteriorate following a series of articles in *The Sunday Times* on the construction of the Pergau Dam, which were perceived to be anti-Malaysian by Malaysian Prime Minister Dr. Mahatir Mohammed.
46. Deputy Foreign Minister Rokas Bernotas, interview, 31 March 1995.
47. Erikas Petrikas, interview, 27 June 1996.
48. From personal experience of compiling press clippings for the embassy in London, 1991-1996.
49. This will be seen especially in the study of the embassy in London, but the same was also true in the cases of the Paris and Bonn embassies in particular.
50. Interviews with Ministry of Foreign Affairs staff, 28 June 1993.
51. Minister A. Hugau, interview, 18 December 1994.
52. Beaver, P. (ed.) *Jane's Sentinel: Central Europe and the Baltic States*, 9.
53. See Appendix 1.
54. The following embassies were operational in Vilnius by the end of 1994: The Holy See, British, Canadian, Chinese, Czech, Danish, Estonian, Finnish, French, German, Italian, Latvian, Norwegian, Polish, Romanian, Russian, Swedish, Turkish, Ukrainian and US. There were also an American Chamber of Commerce, a French Trade Mission, an office of the British Council, an office of the United Nations Development Programme and a branch of the Canadian Executive Service Organisation.
55. Prior to the restitution of Latvian and Estonian independence, Sweden had established branch offices of its consulate in Leningrad in the capital cities of both republics which were, in the words of the ambassador, "actually operating more or less as undercover embassies." Because Lithuania had preceded the other Baltic States by declaring the restitution of her independence in 1990, the Swedish Ministry was unsure of what action to take, because of the hostile Soviet reaction. An information office was established in Vilnius, but this, according to former Minister of Foreign Affairs A. Saudargas, displeased the Lithuanians, who wanted a proper embassy to reflect their independent status. Lithuanian independence was recognised by Sweden on 27 August 1991 and the ambassador arrived in Vilnius two days later.
56. Beaver, P. (ed.) *Jane's Sentinel: Central Europe and the Baltic States*, 34.
57. "Natural Neighbours: Starting Anew" in *Lithuania in the World* Vol. 2, No. 2, 26-28.
58. David Kydd, Head of Public Affairs at the International Atomic Energy Agency in Vienna, interview, 14 June 1995.
59. "Natural Neighbours: Starting Anew" in *Lithuania in the World* Vol. 2, No. 2, 26-28.
60. H. E. Michael Peart, interview, 22 June 1994.
61. "Diplomacy and Music Under One Roof" in *Lithuania in the World* Vol. 2, No. 3, 22-24.
62. "Diplomacy and Music Under One Roof" in *Lithuania in the World* Vol. 2, No. 3, 22-24.
63. "Diplomacy and Music Under One Roof" in *Lithuania in the World* Vol. 2, No. 3, 22-24.
64. "Diplomacy and Music Under One Roof" in *Lithuania in the World* Vol. 2, No. 3, 22-24.
65. "Different but Close" in *Lithuania in the World* Vol. 2, No. 6, 14-16.
66. Deputy Foreign Minister Rokas Bernotas, interview, 25 June 1994.



67. On the occasion of Landsbergis' visit to London in November 1990 to demand the return of gold held in the Bank of England since the inter-war years, a large crowd of Lithuanians in London gathered at the gates of Downing Street. "I had no idea there were so many Lithuanians in London," Prime Minister Thatcher said. "Madam," replied Landsbergis, "You have had five in your Cabinet." Lords Lawson, Brittan and Lucas, Malcolm Rifkind and George Young were all at least second generation Lithuanians: in Lithuanian eyes that was sufficient proof of Lithuanian nationality.

68. *The Independent*, 30 March 1994.

69. *The Independent*, 30 March 1994.

70. The relationship between Capt. Barker and Mr. Greičiunas was possibly the most fruitful of all official Anglo-Lithuanian relationships: the two men, despite being unable to speak the other's language, liked each other immensely and spent a considerable amount of time together even when not in discussion about the harbour, which contributed to the success of the project. Source: personal interviews with both men, 1992-1994.

71. The Lithuanian officials desired visits to the Land Rover plant particularly because they were always offered drives around the Land Rover testing circuit. They all greatly enjoyed this, unlike their interpreter, who was forced to cling onto the ledge on the back (test Land Rovers have no back seats) and translate the conversations between the officials and the drivers, while the vehicle was being put through its paces.

72. See Appendix 1 for details of the British Pig Improvement Company's proposed activities in Lithuania.

73. US AID SEED Assistance Strategy for Lithuania, 22 July 1993. Its key foci were the developing of the private sector with emphasis on financial reform and business sector promotion, addressing the need for energy efficiency and the safety of the Ignalina nuclear power plant and the strengthening of Lithuania's democratic institutions.

74. E. J. Ashbourne, interview, 8 May 1997.

75. E. J. Ashbourne, interview, 28 December 1996.

76. BBC World Service *Summary of World Broadcasts*, 10 May 1993.

77. BBC World Service *Summary of World Broadcasts*, 25 June 1993.

78. From a document issued by the Ministry of Economics, 30 March 1994.

79. Vytautas Landsbergis, interview, 22 June 1994.

80. See Chapter 2 on Lithuanian politics during 1991-1994.

81. See Chapter 1.

82. BBC World Service *Summary of World Broadcasts*, 28 January 1993.

83. Statement of the National Defence Ministry, 14 January 1993.

84. As expressed by a member of the Deportees Association: "There were more than enough railway cars when they wanted to remove us from Lithuania!" interview, 24 June 1994.

85. BBC World Service *Summary of World Broadcasts*, 7 September 1993.

86. See Chapter 4 for details of Russia's military strength.

87. Alvydas Makstale, of the Vilnius Police Force, interview, 23 June 1994

88. *Summary of World Broadcasts*, 4 April 1994.

89. *Summary of World Broadcasts*, 4 April 1993.

90. *Summary of World Broadcasts*, 16 April 1993.

91. Two plants in Jonava and Panevėžys were able to continue receiving supplies from Russia as they had negotiated contracts with different companies.

92. BBC World Service *Summary of World Broadcasts*, 11 July 1993.



93. BBC World Service *Summary of World Broadcasts*, 4 April 1994.
94. *RFE/RL Newsbrief* 15-19 March 1993.
95. *RFE/RL Newsbrief* 15-19 March 1993.
96. Document issued by the Baltic Council, 31 October 1993.
97. See Chapter 4.
98. BBC World Service *Summary of World Broadcasts*, 3 February 1993.
99. Beaver, P. (ed.) *Jane's Sentinel: Central Europe and the Baltic States*, 17.
100. Further details of this treaty are covered in Chapter 4.
101. *The Independent*, 27 April 1994.
102. Speech by President Brazauskas, 28 February 1994.
103. From personal experience. Many people warned me that if driving through Poland, it was unsafe to stop unless desperately necessary.
104. BBC World Service *Summary of World Broadcasts*, 18 March 1993.
105. Former Minister of Foreign Affairs A. Saudargas, interview, 21 June 1994.
106. Minister A. Hugau, Danish embassy in London, interview, 23 June 1995.
107. See Chapter 4.
108. Assistance came in the areas of nuclear safety, transport, construction, defence co-operation and within the timber and food industries.
109. *Presidential Address* January 1994.
110. *Presidential Address* January 1994.
111. Beaver, P. (ed.) *Jane's Sentinel: Central Europe and the Baltic States*, 11.
112. Beaver, P. (ed.) *Jane's Sentinel: Central Europe and the Baltic States*, 11.
113. Even by 1997, little thought had been given to the other consequences of joining Europe, aside from the security aspect.
114. *Presidential Address* January 1994.
115. Beaver, P. (ed.) *Jane's Sentinel; Central*
116. C. Stankevičius, interview, 21 June 1994.
117. H. E. Ambassador Peart, interview, 21 June 1994.
118. See Appendix 2 for Lithuania's membership of international organisations.
119. This was true of every Lithuanian to whom I spoke. It was a source of pride to the nation that they were recognised participants in regional and worldwide events. This was a belief also shared by Latvia and Estonia.
120. The Russian Federation also participated in the event, as did other states, such as Israel, which only by the greatest
121. Ambassador J. Paleckis, interview, 7 December 1996.
122. R. S. Goddard, Secretary, Henley Royal Regatta. Interview, 24 October 1996.
123. R. S. Goddard, Secretary, Henley Royal Regatta. Interview, 24 October, 1996.
124. See Appendix 1 for details of Kairys' participation in international events.
125. Features ranged from the Baroque Old Towns of Vilnius and Kaunas to the magnificent coastal resorts of Palanga and Nida. For historians, there were medieval castles, such as Trakai, or Gediminas castle in the centre of Vilnius, which had begun to be restored by the Soviets and was completed by the Lithuanians. There was also a unique feature, the Hill of Crosses outside Šiauliai, which had been visited by the Pope on his 1993 visit and was unlike anything else found in the world. Scattered around Lithuania were museums, art galleries and thriving cultural centres, all of which could encourage foreign visitors. Lithuania was also the holder of the largest song festival in Europe and was therefore ideally



placed to become a centre of tourism in the years following independence.

126. The lack of both towels and plugs in hotel bathrooms was a common complaint, as were complaints regarding levels of hygiene, cleanliness and the standard of the food provided. Safety was another core grievance, with the pilfering of guests' luggage being a common occurrence throughout the USSR.

127. The Lietuva, the principal hotel in Vilnius before 1991, was one such unfortunate case. It became the den for the local "mafia" who took advantage of the nightclub facilities previously only available to western tourists, and westerners were advised not to stay there. The main hotel in Klaipeda was another victim: it too attracted the local mafia and prostitution became rife within its walls.

128. In 1994, a large double room at one of Vilnius' most luxurious hotels, the Neringa, was only US\$50 per night.

129. Tourism was definitely hindered by the language barriers. Although the Lithuanians were aware of the challenges posed by their language and were making their best effort to learn western languages, there were still a few teething troubles by 1994. Several hotels in Lithuania proudly boasted that they possessed CNN, the international English-speaking television news station, but when this was put to the test in Klaipeda, it was found that it had been dubbed into Lithuanian: of no use at all to the western traveller!

130. In 1994, 390,700 tourists visited Lithuania. Most of them travelled to Vilnius, but 233,300 thousand of them visited health spas and sanatoria in Palanga, Neringa and Druskininkai. Tourists were mostly from CIS states, the other Baltic States, Poland, Germany, the USA and UK. Source: Lithuanian Information Institute. stretch of the imagination can be classified as "European. *Europe and the Baltic States*, 10.

131. The fleet comprised: 12 Yakolev YAK-42, 8 Tupolev TU-134, two Antonov AN-24, 14 Antonov AN-2 and 12 KA-26 helicopters. (Source: *Flight International Directory of World Airlines* 1993.)

132. Jeziorski, A. *Flight International*, 14-20 December 1994, 5.

133. *Lithuania in the World* Vol. 2, No. 3, 58.

134. *Lithuania in the World* Vol. 2, No. 3, 58.

135. *Flight International* 7-13 December 1994, 12.

136. Lithuanians had an affinity with air travel since the 1930s when two Lithuanian aviators, Steponas Darius and Stasys Girenas, successfully flew across the Atlantic before crashing in Germany in 1933.

137. Daily train connections from Vilnius included Berlin (19 hours), Budapest (36 hours), Kiev (16 hours), Lvov (15 hours), Moscow (13 hours), Prague (36 hours), Sofia (41 hours), St. Petersburg (14 hours) and Warsaw (12 hours). There were also links with Tallin (12 hours) and Riga (7 hours), demonstrating the slowness and inefficiency of the rail network. Within Lithuania, travelling from Vilnius to the coast took between 5-6 hours, as opposed to a mere 3-hour drive. (Source: Lithuanian Information Institute.)

138. President of the Union of Lithuanian Large Towns, Adolfas Balutis, interview, 19 June 1994.

139. Major Leslie Wooler, Director, Friendship Link, interview, 10 October 1995.

140. Cambridge University was founded in approximately 1209, while Vilnius was founded in 1579.

141. Both Lithuanians, such as Deputy Foreign Minister Rokas Bernotas, and foreigners, such as British Ambassador, H. E. Michael Peart, expressed this view.



## Chapter 4

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# Lithuania's Defence and Security Policy

*"A State of Limbo"*<sup>1</sup>

In September 1991, after finally achieving full international recognition as an independent state, one of the Landsbergis government's first moves was to disassociate itself completely from the former USSR. Lithuania, along with the other two Baltic States, refused to join the successor body to the USSR, the Commonwealth of Independent States<sup>2</sup> and resented being categorised as a Soviet Successor State in the same class as the Central Asian Republics. The Lithuanians emphasised the historical traditions of statehood and sovereignty which had preceded their occupation by the USSR in 1940.<sup>3</sup>

Lithuania was, however, in a precarious geopolitical position in September 1991. Although her borders, unlike some of the other members of the former USSR,<sup>4</sup> were fixed and internationally recognised as such, there was still a visible Soviet military presence in Lithuania.<sup>5</sup> Lithuania did have, however, a comparative advantage over the other states in the region, in having such a small ethnic Russian minority resident on Lithuanian territory.<sup>6</sup> Soviet troops had established strategic military bases outside Vilnius, Kaunas and Šiauliai and at Barysai and Zokniai. Although no nuclear weapons had been stationed on Lithuanian soil, due to her geographical position, Lithuania was used by the Soviet military command as a location for a number of long-range conventional weapon-launching facilities.<sup>7</sup>

Latvia and Belarus, Lithuania's former Soviet neighbours, both had large former Soviet military and ethnic Russian civilian populations and these were to continue to provide cause for concern throughout the 1991-1994 period and would present key security questions for the post-independence governments. Kaliningrad, the Soviet enclave to Lithuania's south-west, was still a heavily militarised zone, becoming even more so as former Soviet troops withdrawing from what had been



East Germany and Poland were barracked there until accommodation could be found in the Russian Federation itself. The Russian government demanded overland access through Lithuania to the enclave and this presented a notable security dilemma for Lithuania. Until the Kaliningrad issue was resolved, Lithuania would be required to continue to maintain at least cordial relations with Russia.

Therefore while being in a comparatively stable position relative to the other states in the region, Lithuania was nonetheless in a delicate situation: as long as Russian troops remained on Lithuanian territory, the retention of Lithuania's independence could not be assured. Following a series of delicate negotiations led by Dr. Česlovas Stankevičius, Russian forces were withdrawn from Lithuania by the end of August 1993, over a year before Russian troops were withdrawn from the other two Baltic States.<sup>8</sup> Lithuania needed to formulate a defence and security policy which would assist in the preservation of her independence. Although the Lithuanians accepted that their state would be militarily difficult to defend, due to the lack of strategic planning and command, open borders, a lack of natural defences and the proximity to the Russian Federation, both of the post-independence governments in the period under review opted for a policy of developing a security and defence framework, albeit a limited framework, as opposed to selecting the option of neutrality, which in many ways might well have proven to be an easier option, in terms of eliminating the need for a costly defence force and the necessary equipment.<sup>9</sup> The other alternative which had been open to them was opting for a "half-way" solution of developing a border defence and national guard working in conjunction with a strong police force.<sup>10</sup>

Both of these options were rejected by the Sąjūdis and LDLP administrations in the belief that adopting a neutral stance in the international arena would prevent early admission to the international organisations which Lithuania desired to join. Likewise, establishing only a border guard force could be interpreted by these security organisations as Lithuania being unwilling to participate in the joint military operations which were launched in their name, either in the guise of international peacekeeping efforts or limited aggression. It was felt that there should be no additional hurdles to postpone Lithuania's entry into these institutions.<sup>11</sup>

Lithuania, however, accepted that even with a limited military force, she had to procure a security guarantee from one or more of these western security organisations, especially NATO and the Western European Union (WEU), in order to achieve real stability and security. Overtures to these organisations were made even before independence was internationally recognised, but by the end of the period under examination, only observer status of the WEU had been granted, which did little to provide an effective mantle against potential aggression.

Also fundamental to the process of strengthening Lithuania's security was the necessity to forge or strengthen existing relations with regional powers.<sup>12</sup> For this, Lithuania was able to exploit her all-important geographical position. Lying not only on the western fringe of the former USSR and on the eastern fringe of Europe, Lithuania could also be incorporated into the Nordic region. From the first



declaration of the restitution of independence in March 1990, Lithuania had enjoyed the support of the Nordic states, especially Denmark, Sweden and Iceland, the first state to unilaterally recognise independent Lithuania. Estonia was in a similar position, enjoying extremely favourable relations with Finland. Although none of the Nordic states were able to provide Lithuania with the hoped-for official security guarantee, the moral support in the early years of independence was appreciated by the Lithuanian government and people alike.<sup>13</sup>

Lithuania's defence and security during 1991-1994, however, was not only dependent on preparing to combat external threats. Although not as serious as in the other Baltic States or former republics within the USSR, there was a small internal threat as well, which could have jeopardised the security of the state. This can be divided into two distinct categories: the first being the presence of a small Russian minority which, had an extremist faction come to power in the Russian Federation itself, could have become political agitators and created instability in the region. The second category can be described as the mafia, which grew in prominence and influence during the 1991-1994 period. A mafia member was linked to the sole case of nuclear terrorism in Lithuania, when he threatened to blow up Lithuania's nuclear power facility at Ignalina in the summer of 1994 after the execution of Boris Dekanidze for the murder of Vitas Lingys. The rise of organised crime in Lithuania in the post-Soviet years was not unusual in the states of the former USSR or East Bloc, but nonetheless had a detrimental impact on the preservation of Lithuania's security and stability.<sup>14</sup>

The following sections shall examine in closer detail the procedures by which Lithuania created and implemented her defence policies during the 1991-1994 period. The restructuring of the armed forces, applications for entry into international security organisations, security concerns from neighbouring states and internal threats will also be considered. The legacy of the fifty years of Soviet occupation must also be surveyed to see what impact this had on the newly re-independent state's defence and security policies.

Since attaining recognised independence in 1991, the successive governments of Lithuania were all too well aware of the fact that they were unable to feasibly defend themselves from any external aggressor by themselves. Therefore both of the post-Soviet governments were united in their commitment to strengthen Lithuania's state sovereignty and defence.<sup>15</sup> In order even to be considered for membership of any international security organisations of the European Union (EU), which were so vital for her defence, Lithuania had to prove that she posed no risk to Europe's overall security and stability.<sup>16</sup> It was therefore in Lithuania's interests to maintain stable, if not overtly friendly relations with all of her neighbouring states. But while Lithuania's defence and security policy was therefore geared towards active participation in international security organisations such as NATO and the Western European Union (WEU), relations with the Russian Federation had to be accorded the highest priority, because of the possible security implications of potentially alienating the far more powerful state.



In their quest for admission into NATO and the EU, both of the post-independence governments aligned their defence and security policies with those of NATO and EU member states. They both confirmed that they were aware of and would be willing to contribute to the financial burden of NATO membership.<sup>17</sup> Simultaneously, however, some elements of co-operation were forged with the other two Baltic States. Co-operation in this sphere was not as thorough nor as wide-ranging as had originally been anticipated. The formation of the Baltic Peacekeeping Battalion (BALTBAT), about which more shall be written later in this chapter, was the greatest success of joint operations. But between 1991 and 1994 plans were also drafted for the creation and implementation of co-ordinated policies to control airspace and state borders on land, coastal and territorial waters, to combat terrorism and to prevent the smuggling or trafficking of narcotics.<sup>18</sup> The Baltic States' chiefs of staff also inaugurated the process of making compatible their defence and security doctrines, although little progress in this sphere had been made by the end of the period under review.

It had been expected by western analysts<sup>19</sup> that Lithuania's co-operation with Latvia would have been at the forefront of Lithuania's security policy in the immediate aftermath of the collapse of the USSR, but this does not prove to have been the case, with the hoped-for Baltic co-operation failing to live up to its potential promise. President Ulmanis of Latvia illustrated the poor co-operation between the Baltic States when he stated that relations with Ukraine were of greater importance to Riga than relations with Lithuania or Estonia.<sup>20</sup>

Landsbergis and Brazauskas were extremely reluctant to align themselves too closely with Latvia in the belief that being seen to be too entangled with the other Baltic States would hinder early admission into the WEU or NATO.<sup>21</sup> Latvia was perceived to be a serious concern to the Vilnius government because of the large Russian minority in the country. At the end of 1994 there were still over 500 Russian troops with approximately 200 associated dependents still on Latvian soil, who were maintaining the strategic radar base at Skrunda and who posed a legitimate security threat.<sup>22</sup>

The Latvian armed forces themselves were not perceived as being a threat to Lithuania as they were extremely limited both in strength and capability.<sup>23</sup> In 1994, however, there was a widely-held belief in both the Lithuanian Parliament and Ministry of Foreign Affairs that Latvia was unlikely to remain independent in future years: that it would be re-incorporated into the Commonwealth of Independent States and it was the likelihood of this possibility which represented the greatest threat to Lithuania: "The Latvians are facing a real threat from Russia," said Algirdas Saudargas, former Minister of Foreign Affairs.<sup>24</sup> He envisaged a re-incorporation of Latvia into the CIS as occurring within a decade. This view (although with an unspecified timeframe) was also held by his successor, Povilas Gylys.

Gylys' attention during the 1992-1994 period, therefore, was concentrated on relations with Belarus and Russia. Government-to-government relations between



Vilnius and Moscow improved with the return to power in 1992 of the Lithuanian Democratic Labour Party (LDLP), but the majority of ordinary Lithuanians remained concerned about and suspicious of Russia.<sup>25</sup> While the Yeltsin government was not perceived as being an immediate security threat to Lithuania's independence, there were ever-present fears that the installation of a more radical government would affect Lithuania's future as an independent state.<sup>26</sup>

The "Zhirinovsky Factor"<sup>27</sup> could not afford to be overlooked as demands for the re-incorporation of the Baltic States into the greater Russian empire were frequently publicly stated.<sup>28</sup> Vladimir Zhirinovsky, who rose to prominence in 1993, vowed to abolish the independence of many East European countries and opposed the extension of Western influence in the region. He had captured the imagination of many Russians with his slogan "Never shall anyone humiliate the Russians"<sup>29</sup> and his ultra-nationalism. Zhirinovsky blamed the Baltic States for the breakup of the USSR and threatened that should his Liberal Democrat Party assume office, he would "pump nuclear waste into the three countries to force them to comply with Moscovs wishes."<sup>30</sup>

Even Andrei Kozyrev, Russia's foreign minister, perceived as a "moderate" in the West, spoke of Russia's interest in her so-called "near abroad," suggesting that some or all of the Baltic States were included in that "near abroad."<sup>31</sup> The Vilnius government was alarmed that in the restructuring of Russia's Defence Ministry, according to a special decree issued by President Yeltsin on 7 May 1992, a special post, the deputy defence minister for co-operation with CIS armed forces and Russian troops in the "near abroad," had been created. This lent an air of importance and credibility to the concept of the "near abroad." The post was held by Col. Gen. Boris Gromov.

The Lithuanian governments were extremely concerned at the manner in which the West dealt with Russia. "They don't stick to normal rules of thinking," said Ceslovas Stankevičius. "It shouldn't be considered that just because Russia is not as bad as it used to be that this is cause for rejoicing. It is not. In the USA they are very tied to personalities. Washington D. C. used to be tied to Gorbachev and we had to suffer for that. Now they don't make demands on Yeltsin because they are afraid of opening the door for Zhirinovsky. But personalisation is a myth. Russian interests have basically remained the same. There is not that much difference between the politics of Zhirinovsky and Kozyrev, but it is a tradition in Russian politics to focus on a worse alternative to cover up present problems. Russia acts the way that the West allows it to act and if Russia is allowed to overstep the political boundaries it will do so."<sup>32</sup>

Kozyrev's concept of extending Russian influence to the "near abroad" certainly alarmed the Vilnius governments. As former Minister of Foreign Affairs Saudargas said, "We have to steer clear of Russia. I always say the best relations with Russia are no relations with Russia."<sup>33</sup> The Lithuanians rightly or wrongly perceived the Gorbachev and Yeltsin administrations as lulling the West into a false sense of security. They developed a new role for Russia as an international peacekeeper or



mediator and thereby distracted western observers, preventing them from noticing an increasing Russian influence in Ukraine and Belarus, an influence which could spread to Lithuania and the other Baltic States.<sup>34</sup>

Russia still did, it should be remembered, possess enormous military strength after the collapse of the USSR and it remained a great concern of all the states which had once been a part of or affiliated with the USSR. With an estimated total strength of 2,030,000 men, the Russian armed forces comprised five main arms of service. The most senior were the Strategic Rocket Forces; the largest arm was the Ground Forces, then the Air Force, Air Defence Forces and the Navy.<sup>35</sup>

The Army itself possessed a strength of a million men, with 60 Motor Rifle Divisions, four Airborne Divisions, 18 Tank Divisions and 14 Artillery Divisions. The Air Force had a strength of 165,000, with a Strategic Nuclear Force strength of a further 150,000. The Conventional Forces in Europe Treaty (CFE) had limited Russian aeronautic equipment stationed West of the Urals to 3,450 fixed-wing combat aircraft, 890 armed helicopters and 300 naval aircraft. The Navy had a strength of 300,000 and an extensive fleet which included 39 nuclear-powered ballistic missile submarines and 131 frigates.

There were also, at the end of 1994, 250,000 border guards working for the border service of the Russian Federation, a division created by President Yeltsin on 30 December 1993. The border guards assumed a security role equal to that of the armed forces with the responsibility for protecting the 60,932 km of Russia's border. Efforts to create a uniform CIS border regime had yet to bear fruit by the end of 1994. Russia also possessed a 120,000-strong security service, which replaced the notorious and feared KGB after the collapse of the USSR. Despite restrictions imposed upon it by the CFE treaty, the Russian armed forces remained a formidable opponent to members of the former USSR and East Bloc and remained an obvious threat to Lithuania, whose armed forces would have presented no realistic obstacle to their Russian counterparts.<sup>36</sup>

Although Lithuania did not share a direct border with the greater part of the Russian Federation, there was a common border with the Kaliningrad Enclave and it was this piece of Russian territory which was responsible for many of the tensions inherent in Russo-Lithuanian relations. Kaliningrad remained a significant security threat to Lithuania and the border crossings between the two states were heavily guarded by Lithuanian soldiers, as Vilnius believed that narcotics and possibly arms were being smuggled into or through Lithuania via these gateways.<sup>37</sup> A long-running dispute regarding the transit of Russian troops through Lithuania from Kaliningrad and the former East Germany was only resolved by a treaty signed on 18 January 1995. Demands made by Russia since the restitution of Lithuania's independence for an extra-territorial corridor were flatly refused by the Lithuanian government. Lithuania would never give and could never in the foreseeable future grant any pre-determined transit rights to Russia, which could then be interpreted as setting a precedent for a Russian occupation of Lithuania.<sup>38</sup>

By the terms of the Yalta Agreement in 1945, East Prussia was divided, with the



territory around Allenstein being granted to Poland. The remaining three-quarters of the territory of the former East Prussia, including the city and port of Königsberg, renamed Kaliningrad by the Soviets, was only temporarily put under Soviet control. It was, however, absorbed into the USSR without real western opposition by a decree of 7 April 1946, thus fulfilling a 200-year old ambition to gain the territory on the part of Russian and, post-1917, Soviet leaders. The question of who would eventually control the region resurfaced in widespread public debate in Germany, Poland, Lithuania and Russia immediately following the collapse of the Warsaw Pact, the dissolution of the USSR and the restitution of Lithuania's independence.<sup>39</sup>

Historically Kaliningrad was an ethnic German region, part of East Prussia, but there would be serious resentment by Russia and Poland if the area were, in the future, to be returned to Germany. If the area were put under Polish control, the Germans, Lithuanians and the Russians would, no doubt contest the issue. In 1994 there was mounting concern in the west of Lithuania at what was seen to be an increasing German presence in the region and an element of German revanchism. The Lithuanian port of Klaipeda was also at several stages of its history under German control and there was a real worry that if Kaliningrad were returned to Germany, demands might also be made for the "return" of Klaipeda.<sup>40</sup>

These fears were accentuated by the publication in 1993-1994 of German books on the region which deliberately used the name Memel rather than Klaipeda and Ostpreu en/Königsberg rather than Kaliningrad. One such text, widely on sale throughout Germany, was H. M. F. Syskowski's *Ostpreu sen: Königsberg und das Königsberger Gebiet*, published in 1994. In its 129 pages of text, there was not one reference to Kaliningrad. The history of the region omitted the fifty years following the start of World War II. Instead it focused on the historical German settlement of the region.<sup>41</sup> The tendency towards revanchism in the region was further emphasised by the caution displayed by regional officials when discussing the renewed interest of Germany in the region. "Kaliningrad welcomes the interest . . . despite the ambiguous political overtones," said Valerian Yurov, spokesman for the Department of Foreign Economic Relations.<sup>42</sup> Although Chancellor Kohl issued a "solid reassurance to Russia over any possible claim to . . . Kaliningrad"<sup>43</sup> the issue continued to remain in the political consciousness throughout the period under review. Vladimir Zhirinovsky was prepared to return the enclave to Germany<sup>44</sup> while Foreign Minister Andrei Kozyrev announced that Germany could share the administration of Kaliningrad.<sup>45</sup>

Lithuanian government ministers argued that failure to resolve the Kaliningrad issue was to hinder Lithuania's development in all spheres in the post-Soviet years. The Landsbergis government questioned whether the West would passively allow Kaliningrad to be turned into a part of Russia. It likened the Kaliningrad issue to the Berlin problem, which dominated the Cold War, only in reverse: a Russian enclave in the centre of Europe.<sup>46</sup> (It is vital to remember that most Lithuanians perceived themselves as being part of Europe and that meant Europe as a whole, not just the



region of central or eastern Europe.) Both the Landsbergis and Brazauskas administrations believed that if the West put up no opposition to Russia's claim, however tenuous, to the region, Lithuania would be trapped, pincer-like, with Russia on both sides and thus be separated from Europe.<sup>47</sup> Russia appeared determined to retain control of the enclave primarily because of its strategic position as a warm-water port on the Baltic, the maintenance of which has always been a traditional Russian aspiration.<sup>48</sup>

Regardless of ownership, both of the post-independence Lithuanian governments advocated a demilitarisation as well as a de-occupation of the region, as approximately 50 percent of Kaliningrad's population were Russian soldiers or associated personnel.<sup>49</sup> Most of these came from the former North-Western Group of Forces which had been deployed in the former Soviet satellite states which had formed the Warsaw Pact. After the pact's dissolution, the troops were gradually withdrawn, an operation which was completed finally on 31 August 1994. While some divisions were redeployed to the Moscow, Urals, Volga and North Caucasus Military Districts, others were relocated in Kaliningrad as an interim, temporary move, until adequate accommodation could be found for them in the Russian Federation itself. There was, however, one division, the elite 11th Guards All-Arms Army, based specifically in Kaliningrad post-1991, which had the capability to come to a war footing within 24 hours, which was of the greatest concern to Vilnius.<sup>50</sup>

The concentration of military force in the region was strengthened by the presence of the Baltic Sea Fleet which was still headquartered in Kaliningrad during the 1991-1994 period, although a significant but unspecified number of personnel were based around St. Petersburg. The disadvantages incurred by the enclave status of Kaliningrad were outweighed, in the eyes of Russian Naval commanders, by its advantages and therefore the number of Navy personnel in the enclave was expanded by the redeployment of formations withdrawn from Polish and East German naval bases by the end of 1993.<sup>51</sup>

The Baltic Sea Fleet, under the command of Admiral Vladimir Egorov, did withdraw its 240 strike aircraft from Lithuania, Latvia and Estonia, but these were still perceived to pose a threat to the Baltic States as the majority of them were redeployed to neighbouring Kaliningrad. In addition, the Baltic Sea Fleet possessed ground forces also deployed in Kaliningrad, composed of one naval infantry regiment, one coastal defence division, one coastal artillery brigade, one fleet spetsnaz brigade and 250 main battle tanks, 300 armoured infantry vehicles and 200 tube artillery pieces, again surpassing the total military capability not only of Lithuania, but of the three Baltic States combined.<sup>52</sup> The Baltic Sea Fleet also upgraded its submarine facilities during 1994, although this was of little immediate consequences to Lithuania. It was, however, to be perceived in Vilnius as a form of psychological intimidation on the part of the Russian Federation.<sup>53</sup>

Russia, however, was not the sole security risk to Lithuania. Of increasing importance to the Lithuanian governments over the 1991-1994 period was Belarus,



which moved towards ever-closer integration with Russia over those years.<sup>54</sup> Although there were no serious territorial disputes between Lithuania and Belarus, Vilnius became ever more suspicious of Minsk, as relations between Minsk and Moscow strengthened. In March 1994, in a survey conducted throughout Lithuania, 63 percent of respondents favoured the unification of Belarus and Russia, while 55 percent favoured the creation of a new Soviet state.<sup>55</sup> The Belarus border was only 40 km from Vilnius and in 1994 an agreement was concluded between Minsk and Moscow which allowed for the patrolling of Belarus' borders by Russian troops. This caused great alarm in both Lithuania and Poland, especially with Yeltsin being quoted as stating: "It's our [Russia's] border, too, no arguing about it."<sup>56</sup> The attitude in Lithuania held by many parliamentarians was that the West was ignorant of the security threats posed to Lithuania or, indeed, to any of the Baltic States or Poland by such an action.<sup>57</sup>

The military capability of Belarus, even without strengthening bonds with Russia was sufficient to concern Lithuania between 1991 and 1994. In 1994, the estimated total strength of the Belarussian military forces was 84,000, but despite signing the Non-Proliferation Treaty, acceding to the Lisbon Protocol, ratifying START I in 1993 and pronouncing them to be under Russian control, it was the presence of 100 ballistic missiles still on Belarussian territory which was perceived to be a grave threat to Lithuania. Despite the Belarussian government prohibiting all modernisation programmes for the armed forces during the 1991-1994 years, in all spheres the Belarussian military capability remained vastly superior to and totally incomparable with their Lithuanian counterparts. The army had, at the end of 1994, a total strength of 50,000 persons, with two motor rifle divisions, two artillery divisions, three mechanised brigades, three surface-to-surface missile brigades and two anti-tank regiments. The Belarus Army was still heavily committed to Soviet operational art and tactical doctrine, with great emphasis being placed on self-defence and internal security.

The Air Force was even more daunting for the Lithuanians, with an estimated strength of 34,000 personnel. It was equipped with MiG-23, MiG-25 and Su-27 fighter aircraft and Su-24, Su-25 and Yak-28 ground attack aircraft. Although an agreement between Minsk and Moscow was signed on achieving independence from the former USSR which allowed Belarus to take command of 90 percent of the locally-based combat element of the Soviet Air Force, 10 percent of the former soviet long-range aviation aircraft and an air transport regiment, the CFE Treaty limits for Belarus comprised 260 fixed-wing combat aircraft and 80 armed helicopters, plus supporting second-line transports and trainers. These were to be manned initially by approximately 12,000 personnel grouped into 7-8 regiments complemented by about 22,000 members of the Air Defence Forces.

The proportion of equipment inherited by Belarus from the former USSR (389 combat aircraft and 79 helicopters) substantially exceeded the fixed-wing CFE limits. Therefore many had to be scrapped: the first batch being done so in the presence of military inspectors from the UK, USA, Netherlands and Norway at



Lesnaya Air Base on 1 April 1993. But although the Air Force, both in terms of equipment and manpower, was being continually reduced even after the end of 1994, it was still several hundred times larger than the Lithuanian force, whose inventory was comprised solely of 7 trainer aircraft.

Although Russia began patrolling Belarus' borders in 1994, Belarus also maintained its own border guards, at an estimated strength of 8,000 projected to rise to 20,000 by 1996. Even though the former Western Border Troops Division of the USSR KGB covering Ukraine and the Belarussian S.S.R. was abolished in December 1991, the Minsk Operational Group of the former Western Troops District was transferred to Belarussian jurisdiction to form the nucleus of the Belarussian Border command, established in December 1991. The border command adopted the Soviet *modus operandi* with troops grouped into 300-400-strong detachments (*otryad*). In late 1992, three air detachments were formed to support border control operations. The formation of these three detachments triggered yet more alarm bells ringing in Vilnius, as even without the Russian support which had been present from February 1994, these guards represented a real threat to Lithuania.<sup>58</sup>

Poland, too, must not be ignored when examining potential threats to Lithuania's security. Relations with Poland had historically been strained, reaching their nadir in 1922 when Poland seized Vilnius and the surrounding territory. In 1991 relations between the two countries were extremely poor. Some Polish commissars in Lithuania had supported the anti-Gorbachev coup in August 1991 and upon the full recognition of Lithuania's independence the Landsbergis government replaced the leaders of these councils, often with Lithuanians, which caused discontent among the sizeable Polish minority in Lithuania.<sup>59</sup> President Landsbergis claimed that "Right Wing Poles both inside and outside the country want parts of Lithuania to become Polish again."<sup>60</sup> This was a sentiment which was certainly shared by a proportion of Lithuanians but it was rarely voiced openly.

The Poles were not quite so passive. Immediately after the abortive coup in Moscow, the large Polish minority in the south of Lithuania petitioned the Landsbergis government for an autonomous region: a request which was flatly refused.<sup>61</sup> From 1992, however, the situation improved, despite an habitual distrust of Poland being frequently expressed in all echelons of Lithuanian society and frequent allegations of mistreatment from the Polish minority also being voiced.<sup>62</sup> Although these underlying sentiments did indeed cause concern in Lithuania, government-to-government relations strengthened over the course of 1991-1994 with the concluding of friendship and trade agreements.<sup>63</sup> Nonetheless, with 2,545 tanks, 2,704 armoured vehicles, 486 combat aircraft and 12 major naval vessels, Poland had the ability, if not the inclination, to pose a real threat to Lithuania's security.

Abiding by the CFE Treaty, Poland had to reduce its total military force levels to 234,500 (far greater than Lithuania's total of 5,200 military personnel). Her Army had a strength of 188,100, divided into 8 mechanised brigade divisions, one



armour division, one coastal defence division and one air cavalry division. Following the collapse of the Warsaw Pact, the Polish Army adopted western-style training methods, with Polish troops being sent to NATO-member states' military academies. Poland's Air Force had a total strength of 72,600 and was equipped with numerous aircraft made by Soviet companies Mikoyan, Sukhoi and Antonov: including 263 fighters, 124 fighter-bombers, 64 combat helicopters, 241 trainers, 92 transporters and 206 transport helicopters. Poland's Navy (Lithuania's weakest branch of the armed forces) amounted to 17,800 personnel, operating three submarines, one destroyer, one frigate and 7 corvettes. In addition to the regular force, there was a para-naval force, the Maritime Frontier Guard, subordinate to the Ministry of the Interior. By the end of 1994 there were a further 13,800 conscripts serving in the Ministry of the Interior force: a security force with its own air regiment. Even though the Polish armed forces were heavily dependent on conscripts who served for 18-month periods, who made up over 55 percent of the entire force, the 45 percent of professional troops were still far greater in number than in Lithuania and still posed a legitimate threat and concern to Vilnius.<sup>64</sup> The election of the former Communist Aleksandr Kwasniewski in November 1995 was a further anxiety for Vilnius, although it was the Lithuanians who had set this precedent by re-electing their former Communist government, although the first months of his period in office gave little real concern to the Lithuanians.

The deteriorating situation in Belarus, however, proved to be also of great importance to the Poles and this was beneficial to Lithuania. As former Foreign Minister Saudargas explained, "the Poles have not changed, despite the signing of a friendship treaty: of course they have expansionist tendencies regarding Lithuania, but they have Belarus on their other border and that is far more of a concern to the Poles and is a real potential problem."<sup>65</sup>

The greatest external threats to Lithuania were therefore not immediate. Of all her neighbours, Belarus posed the most feasible threat, especially as ties with the Russian Federation continued to be strengthened during the years 1991-1994. Since 1994, however, it was yet again the possibility of a change of leadership in Moscow which was likely to jeopardise Lithuania's independence, if the relatively moderate government of Boris Yeltsin was replaced by a more hardline regime such as that proposed by Vladimir Zhirinovsky or the former Communist Genady Zyganov, both of whom performed well in the 1995 elections.<sup>66</sup> Both of the Vilnius governments in the years 1991-1994 were well aware that without possessing the type of security guarantee only available through NATO or WEU membership, Lithuania's independence and security were wholly dependent on actions beyond her control: on the maintenance of the political *status quo* in her neighbouring states.<sup>67</sup>

Both the government and people of Lithuania as a whole have always viewed NATO as the main security guarantor in Europe.<sup>68</sup> Fearing a resurgent Russia, Lithuania continued to believe NATO to be one of the few visible symbols of stability in an increasingly unstable world. Immediately following international



recognition of Lithuania's independence, the question of joining NATO was raised, although an official application was only issued on 5 January 1994. The application, however, reaffirmed Lithuania's desire not only for a security guarantee from Europe, but also to contribute to the security of Europe.<sup>69</sup> On 27 January 1994, President Brazauskas, in a speech given to the secretary general of NATO and to the North Atlantic Council, stated that "a country's stability and security are essential pre-requisites for democracy and free market to function. We are convinced that the assurance of Lithuania's national security is an inseparable part of European security as a whole. Lithuania can not guarantee her security alone. We think European and at the same time Lithuanian security must be ensured through the political, economic and defence integration of the countries concerned, while the most important institutional expressions of such integration are the European Union and NATO."<sup>70</sup>

The Vilnius government, in conjunction with those of the other states of the region, greatly appreciated the assistance provided to it by NATO states with the formation of the North Atlantic Co-operation Council (NACC) in 1991.<sup>71</sup> Lithuania recognised that the NACC was to play a substantial role as a means of preventative diplomacy and in January 1994 President Brazauskas emphasised its contribution to the process of withdrawal of the Russian troops from Lithuania.<sup>72</sup> The increased number of NACC-organised activities since its inauguration illustrated the unambiguous interest of its partners in the development of further political consultation and co-operation with the regions of central and eastern Europe. Lithuania, along with the other Baltic States, welcomed in particular the opportunities provided by the NACC Ad Hoc Working Group on Co-operation in Peacekeeping for joint military exercises.<sup>73</sup>

The NACC was particularly important for Lithuania during the period under review because it enabled Lithuania to make use of NATO assistance in restructuring its defence forces along western guidelines. In its first years of operation, emphasis was placed on European security, encompassing peacekeeping, defence planning and maintaining democratic civil-military relations, all of which were supported keenly by Vilnius.<sup>74</sup>

By 1994, however, the limitations of the NACC had become glaringly obvious.<sup>75</sup> First, a consensus was required on all issues, which, with a membership of 38 states, was to prove impossible to obtain, unless uncontroversial issues were the topic of debate. The organisation also failed to take into account the diversity of the region comprising the former Warsaw Pact states in so far as security and stability problems were concerned, with different states having varying concerns regarding ethnic minorities<sup>76</sup> or the presence of former Soviet military personnel, for example. Therefore the former Soviet and East Bloc states which had initially welcomed the creation of the NACC as a substitute for NATO, realised that as a substitute the organisation was inadequate and they began to press again for full NATO membership. "For four years the Eastern Europeans [were] offered make believe institutions: CSCE, an irrelevant umbrella for Europe's orphans . . . [and]



NACC ... designed to do everything that Partnership for Peace is meant to achieve but all it did was plan peacekeeping operations that nobody was willing to undertake," wrote Jonathan Eyal.<sup>77</sup>

The proposed expansion of NATO was to create difficulties for both existing and aspiring NATO members, especially regarding the implementation of the physical process of enlargement. One of the greatest hurdles to overcome was that there was no and had never been a document listing criteria for membership of the organisation. This had been a deliberate policy for, according to the British prime ministers' foreign policy adviser during the 1980s and early 1990s, "publishing such a list, indeed creating such a list, would be *ipso facto* to agree to a new member or candidate for membership as soon as they had conformed to the listed criteria. It would be very hard to say to a candidate state: 'Yes, yes, you meet our criteria, as published, but no you can not join.'"<sup>78</sup> It has also been suggested by a British Foreign and Commonwealth Office counsellor<sup>79</sup> that NATO members had deliberately not compiled a list of criteria for membership because the existing member states would be unable either to agree to the criteria or, indeed, fulfil them. Therefore they would be best left unwritten.

It must also be questioned, however, whether the existing NATO members even desired an expansion of NATO at this time, fearful of the dilemmas this action would inspire. As Eyal explained, "NATO bureaucrats fear[ed] that admitting new states would embroil the Alliance in many Yugoslav-type conflicts and saddle the organisation with myriad social and economic problems."<sup>80</sup> This dilemma was to continue long after this period under review. In 1995, for example, the German defence minister, Volke R  he, spoke of "*eine Erweiterung, nicht eine Er  ffnung von NATO*," that is, a widening, not an opening-up of the organisation.<sup>81</sup> But how could that be interpreted? Not one single NATO member state advocated outright the expansion of the organisation.<sup>82</sup> Yet neither were they to declare openly that this could never happen,<sup>83</sup> instead "those who wish[ed] to duck the issue argue[d] that with the collapse of the Berlin Wall and the Soviet Empire it is impossible to define Europe's frontiers,"<sup>84</sup> Therefore they adopted stalling tactics.

This indecision was partly, no doubt, because the suggested expansion of NATO was also to create problems by heightening tension in the politically sensitive region. The Russian Federation had made it extremely clear on numerous occasions<sup>85</sup> that it was not in favour of such a process, believing it to be a threat to its own security. Lithuania vigorously supported the West's position that Russia should not have a right of veto with regards to an eastward expansion of NATO, but at the same time was aware of the Russian perception of the organisation as being an alliance directed against Russian and the CIS states, a perception which affected the attitude of numerous Russian politicians towards the concept of NATO enlargement.<sup>86</sup> By 1994 the formerly moderate Andrei Kozyrev had become almost as radical as Zhirinovskiy in his "echoing [of] the new rhetoric of nationalism"<sup>87</sup> and Grigor Yavlinski, leader of the Yabloko Party (the largest pro-democracy political party in Russia), indicated that any NATO enlargement would immediately be met



by a Russian military union with Belarus and “naked pressure” on Ukraine to follow suit.<sup>88</sup>

Therefore, in an attempt to appease both Russia and the states of central and eastern Europe, an interim measure to joining NATO, the Partnership for Peace Programme (PFP), was inaugurated in 1994.<sup>89</sup> President Brazauskas was among the first central and eastern European heads of state to sign the framework document on 27 January 1994. The Lithuanian Ministry of Foreign Affairs particularly valued PFP as a practical basis for co-operation in accordance with Lithuania’s recognised needs and aspirations and the Lithuanian government was particularly grateful to the USA for promoting the concept of PFP as a preliminary step towards full NATO membership.<sup>90</sup>

As he signed the PFP framework document, Brazauskas stated that Lithuania was “prepared to begin the work needed to implement the democratic control of defence forces, candid defence budgetary processes, along with joint military planning, training and exercises.” He saw PFP as being a “means by which the security of the entire region from Vancouver to Vladivostok can be enhanced.” But while signing the framework document, Brazauskas was aware of its limitations. “I imagine this initiative does not completely satisfy every state that is striving for closer proximity to or membership in NATO. It is a compromise plan, oriented not toward the past, but toward the future, toward a Europe not divided by barriers of suspicion, hostility, differing ideologies and different standards of living.” He called on as many of the central and eastern European and former Soviet states as possible to participate in the PFP programme.<sup>91</sup>

The official application for membership of NATO and the signing of the PFP framework document in January 1994 revealed that the objective of integration into western security structures enjoyed the unanimous support of all the significant Lithuanian political forces,<sup>92</sup> enhancing Lithuania’s predominantly western orientation, despite the return to power in 1992 of the former Communist government, the Lithuanian Democratic Labour Party, still led by Algirdas Brazauskas. The general public also endorsed this view. In an opinion poll conducted by Baltic Survey, 60 percent of those polled favoured strengthening Lithuania’s ties with NATO. Although 13 percent actively disapproved, the remainder were of no fixed opinion. Fifty-two percent supported Lithuania’s membership of PFP, while 57 percent favoured full membership of NATO when the opportunity arose.<sup>93</sup>

By signing the framework document of PFP, Lithuania committed herself to the continuing move towards a full pluralist democracy and a market economy, plus ensuring respect for human rights as well as the rule of law, while at the same time contributing to common action to preserve stability in the region. PFP was viewed in Vilnius as a process which offered practical ways to advance and enhance international co-operation between interested states and NATO in the areas which were demanding priority attention, while the individual nature of each member’s partnership programme allowed for different levels and speeds of progress.<sup>94</sup>



Lithuania's Individual Partnership Programme was signed in November 1994: Lithuania became the ninth state to launch its individual programme. Most Lithuanians believed that a specifically Lithuanian partnership programme, tailored to Lithuania's special needs and developed with NATO, would become an essential part of the process of full integration into the NATO structure.<sup>95</sup>

The Lithuanians did not, however, accept PFP as a substitute for NATO membership. The minister of foreign affairs, Bronislovas Lubys, declared in January 1994 that while implementing its partnership programme, Lithuania would continue to bear in mind her official NATO application and continue to process of restructuring her security and defence systems to NATO-specific standards, as well as assisting NATO members in the field of conflict prevention.<sup>96</sup> Lithuania stated her intentions of taking an active part in NATO as she had taken in the League of Nations during the inter-war years, and she was one of the first Central and Eastern European states to appoint a designated liaison officer at the NATO Headquarters in Brussels and to appoint a military representative to the Partnership Co-ordination Cell located at Mons in Belgium.

The major flaw with PFP, as perceived by the states of central and eastern Europe, was that while representing a preliminary manoeuvre to joining NATO, the concept did not provide the much-needed and hoped-for security guarantee. In an interview in June 1994, the Lithuanian negotiator Ceslovas Stankevičius expressed sentiments about the shortcomings of PFP which could easily have been the words of any minister in a former East Bloc state or member state of the USSR: "PFP is no [security] guarantee: it is a programme for developing defence systems and increasing co-operation. Maybe it's a step towards joining NATO, but they want us to be an 'attractive' proposition first and while we are not yet attractive to NATO, we are pretty attractive to Russia and without NATO membership the West will stand by as we are swallowed up."<sup>97</sup>

The limitations of PFP were also recognised by European states. Jonathan Eyal highlighted the tenuous nature of the Partnership: "partners usually cohabit but do not marry."<sup>98</sup> He expressed the sentiment shared by so many of the central and eastern European states that western Europe was unwilling to welcome them into the NATO fold, judging that by "offering Tajikistan and Poland the same formal partnership reinforces the idea that the two are of the same security importance to Europe."<sup>99</sup>

Lithuania shared with the other central and eastern European states a common distrust and residual fear of Russia and its territorial ambitions, which increased the urgency for a real and legitimate security guarantee. President Brazauskas alerted the NATO secretary-general to the Lithuanians' concern regarding Russia's attitude to the "near abroad." "Russia's statements, concerning her special interests and Russia's exceptional right to maintain peace in the so-called 'near abroad' or the former territory of the USSR, are not entirely consistent with the spirit of international law or of the 'Partnership for Peace.' Statements about Russia's special interests in the Baltic are especially difficult to understand, if only because



Lithuania and the other Baltic States were never a legitimate part of the USSR.”<sup>100</sup>

The governments of post-independence Lithuania did understand, however, that membership of NATO was a complex and evolutionary process which demanded both material and intellectual resources. To meet these demands the Lithuanians hoped for the creation of numerous bilateral programmes to assist them in reaching NATO standards of equipment, training and organisation. Their prime target for assistance in this sphere was the USA, which indeed was able to provide technical and administrative assistance in the first stage of the process which aimed to lead eventually to complete inter-operability between Lithuania and the NATO member states.<sup>101</sup> The Lithuanian government realised that “NATO states need[ed] to be convinced that any candidates for membership [were] not only willing to share the burden, but [also] able to do so.”<sup>102</sup>

During the 1991-1994 period, the governments of Lithuania were also aware that admission into the Atlantic Alliance would best be achieved by either individual states or in small groups, as opposed to the whole region being admitted at once. Former Minister of Foreign Affairs Saudargas and negotiator Ceslovas Stankevičius both expressed the suggestion that Lithuania should align herself closely with Poland, which was perceived by both the West and by the states of central and eastern Europe as being one of the most likely candidates for early admission into NATO. This opinion was also supported by the British ambassador to Lithuania, Michael Peart.<sup>103</sup>

The few existing criteria for admission into NATO which needed to be fulfilled included the resolution of any ethnic minority conflicts, the transition to a pluralist democracy and a commitment to a transformation to a market economy. The minority issue was certainly to prove a hindrance to a number of the potential applicants, including Lithuania’s two fellow Baltic States, Latvia and Estonia.<sup>104</sup> This issue provided further grounds for Lithuania to link herself more closely with Poland despite the historical animosity between the two states.

By the end of 1994, however, admission to NATO was still a dream and the government of Lithuania realised that membership would not be achieved in the near future.<sup>105</sup> Therefore, the government was faced with little alternative but to concentrate on developing its political links with NATO, extracting maximum benefit from PFP and, despite its acknowledged limitations, working actively in the NACC. None of these actions, however, assisted Lithuania by providing the security guarantee that she so desperately craved, leaving the maintenance of her independence at the end of 1994 solely at the discretion of more powerful eastern neighbours.

The failure to achieve a viable security guarantee was to affect all aspects of the development of Lithuania in the years between 1991 and 1994: it had economic implications, as foreign companies were reluctant to invest in the republic because of the threat of instability caused by political uncertainty in Russia and Belarus. The social dimension also had to be considered: many states which had continually pledged to uphold Lithuania’s independence refrained from implementing actual



measures which would ensure the maintenance of this independence. Had there been an invasion of Lithuanian territory during these years, there was a consensus among ordinary Lithuanian citizens that while vocal objections would have been made by the West, no physical action would have been taken.<sup>106</sup> The loss of morale among the people, perhaps inevitable in this situation (where it was accepted that the maintenance of Lithuania's independence was out with the control of her democratically elected government), was also to negatively affect the restructuring of the economy and infrastructure and thus hinder the development of the state and her re-integration into the international community and the developed world.

In an effort to procure the desired security guarantee, the Lithuanian government also approached the Western European Union (WEU) to appeal for a European-based option as well as or indeed instead of an Atlantic guarantee. Lithuania was finally awarded Associate Partner Status on 9 May 1994, along with Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Poland, Romania and Slovakia. Vilnius recognised the importance of cultivating good relations with the organisation, given the increasing role of the WEU within the new European Security architecture.<sup>107</sup> Closer relations with the WEU were perceived by western, central and eastern European states alike as a method of extending the area of security and stability eastward.<sup>108</sup> Consultation and co-operation with the WEU was also perceived as being a preliminary step towards future integration into the EU's remodelled security structure.<sup>109</sup> Being granted Associate Status of such an organisation was perceived in Lithuania as being a major step towards that eventual goal.<sup>110</sup>

A similar problem as with NATO had to be faced in dealing with the WEU, however: there were no published criteria for membership. The WEU evolved from the Treaty of Brussels, concluded in 1950, but all new members were also NATO members which, believed Peter Gooderhan, FCO deputy head of the security policy department, would "most probably" hold true for future membership.<sup>111</sup>

The WEU did differ from NATO in its dealing with the former East Bloc and Soviet states. While NATO did not, in the years between 1991 and 1994, formally differentiate between these states, the WEU reflected EU policy and in practise did distinguish between various central and eastern European states: offering Associate Partner Status to only nine of the central and eastern European and former Soviet states was a prime indication of the organisation's differing philosophy.

As an associate partner, however, Lithuania was able to start making a significant contribution to the remodelling of the European security framework. Lithuania participated in the drafting of a White Paper on European Defence under the aegis of the WEU Permanent Council. Lithuania's involvement in this process was concrete proof of her determination to re-integrate into Europe and to make a real contribution to Europe's security, as well as appealing for a guarantee for her own security.<sup>112</sup> But by the end of 1994 no legally-binding guarantee had been obtained and Lithuania did not possess a single formal security guarantee. This was of great concern both to the government and citizens of the state, as Lithuania was left to all intents and purposes defenceless and politically isolated in the face of



mounting instability in the former USSR.

Failing to acquire a security guarantee from the West, Lithuania was forced to attempt to counter the identified threats to her security by herself. She required a defence force as both of the post-Soviet governments had vetoed the concept of Lithuania adopting neutral status or settling for a strengthened police force which would take on the additional responsibilities of border guards. At the start of the Soviet occupation of Lithuania in 1940, Lithuania's existing defence forces were totally absorbed into the military command structure of the USSR. When the Soviet forces withdrew in the years following the restitution of independence, they took with them the majority of their hardware, leaving Lithuania with virtually no defence equipment. Therefore on achieving independence, Lithuania had to begin again to recreate a military defensive and offensive force, to acquire equipment for this force and to devise a defence doctrine according to which these forces would operate.

Lithuania's Ministry of Defence was established in April 1990 (before international recognition had been achieved) and it was this organisation which was ultimately responsible for designing and implementing Lithuania's defence policies during the 1991-1994 period. It was tasked with establishing a few basic organisations which were observed by western military experts to have functioned smoothly and efficiently since their inception. Perhaps the most important of these organisations, especially during times of peace, was the Council of Defence, which provisionally commanded the Lithuanian armed forces, which in 1994 amounted to approximately 5,200 personnel.<sup>113</sup>

The Lithuanian Navy in the years which followed the restitution of independence was extremely limited both in capability and size. It was basically little more than a coastguard service with a few additional responsibilities. Numbering 300 men at the end of 1994, it was equipped with two frigates, both of them Russian *Grisha*-class, each of which could carry 40 officers and 40 sailors, as well as four patrol cutters. All six vessels were acquired from the Russian Baltic Sea Fleet in exchange for housing benefits. All six vessels, however, were required to spend the majority of their time in the harbour at Klaipeda, because of the operational difficulties caused by a lack of spare parts and fuel.

Although the fleet was expanded by the donation from Sweden of a coastguard tug and the purchase of several smaller vessels of an undisclosed class in 1993, the Lithuanian Navy remained woefully inadequate for the tasks expected of it. Her warships failed to offer even the most remotely credible deterrent to any possible adversary and were a severe burden on the already overstretched Lithuanian defence budget. Despite this, both of Lithuania's defence ministers during the 1991-1994 period, Dr. Audrius Butkevičius and Linas Linkevičius, were committed to maintaining Lithuania's Navy in their belief that all Western states with territorial waters to defend needed a Navy.<sup>114</sup>

The Lithuanian Air Force during the years between 1991 and 1994 was also of limited strength and operability. By 1994 it was composed of 200 personnel and



flew four Czech-built L-39 trainers, two L-410 Turbolet transporters and 25 Russian AN-2 light transport aircraft. The L-39s were acquired from Kirgizia in 1993 in a barter deal: the Lithuanians traded chickens and chicken feed for the aircraft, while the L-410s were a gift from Germany. With such few assets, the Lithuanian Air Force was only able to provide limited support functions during the 1991-1994 period.<sup>115</sup>

The cream of Lithuania's military forces, never more so than during the challenging post-Soviet years, had always been the Army. Its backbone was the 4,300-strong<sup>116</sup> *Geležinis Vilkas* (Iron Wolf) Brigade. This unit was comprised of 7 battalions, each of which (in 1994) consisted of three motorised airtransportable companies, one supply company and one support company. The troops were equipped with small arms including RPK-47 machine guns and AKM-74 assault rifles. The *Geležinis Vilkas* Brigade had sole charge of operating Lithuania's 10 armoured personnel carriers (APCs).

Lithuania's Army was also trained to be used for border defence purposes in the years between 1991 and 1994. The specially trained border guards made up the VSAT organisation (*Valsybes Sienu Apsaugos Tarnyba*) and their responsibilities included specifically the policing of and attempting to defend the 1,447km of border which separated Lithuania from the Kaliningrad *Oblast*, Poland, Latvia and Belarus, as well as the 99km of coastline.

VSAT troops were complemented by members of the SKAT organisation (*Savanoriska Krasto Apsaugos Tarnyba*) which represented the territorial defence forces of Lithuania, the bulk of the Army. In peacetime SKAT was tasked with preparing conscripts for Army service, but in the event of war, it was believed by Western military experts that its responsibilities would be extended and upgraded to include co-ordinating the mobilisation of Army divisions as well as territorial defence.<sup>117</sup>

Lithuania maintained the Soviet tradition of military service following the restitution of her independence and in 1992, 6,000 conscripts were called up to serve for a two-year period of duty. In 1993, however, the number of conscripts called up had to be reduced to 2,700 because of financial constraints resulting from the limited defence budget. The number of conscripts fell still further in 1994.<sup>118</sup> Conscription in the years following independence, however, was infinitely preferable to conscription during the Soviet occupation, as the majority of Lithuanians greatly preferred serving in their own army and not in an army which had been to them that of an occupying power. There was also the reassurance for the young men that they were not going to be sent to the Afghanistan war, which had traditionally been the fate of many Lithuanian conscripts during the last decade of the Soviet occupation.<sup>119</sup>

In general, however, the Lithuanian armed forces between 1991 and 1994 would most likely have proven ineffective if put to the test. There was a lack of both middle-ranking commanders and heavy weapons and it was accepted by the government that Lithuania would be unable to defend itself against an assault from



a serious aggressor. Nonetheless, particularly in the *Geležinis Vilkas* Brigade, levels of both motivation and training were high and it was these elite troops, therefore, which were chosen to participate in the tri-national BALTBAT. British commanders involved in the training of the BALTBAT troops admitted in March 1995 that the Lithuanian *Geležinis Vilkas* troops were not only the best trained, but also the cleanest and best turned-out.<sup>120</sup>

Restructuring the armed forces was a monumental task that required foreign assistance. But not all of that assistance was what could be termed “front line action,” that is, assistance in active training of groups such as the BALTBAT. Germany, for example, was one of the NATO states which provided significant aid to Lithuania. Post-war “sensitivities” prevented Germany from taking on any role which could be interpreted by Russia as displaying expansionist tendencies.<sup>121</sup> Therefore assistance was provided in the form of monetary and supply capacities. Former East German materiel was donated to Lithuania<sup>122</sup> and financial assistance was also provided. But the most crucial assistance came in the spheres of language training, communication and staff planning. A series of negotiations held between 1991 and 1994 culminated in a detailed programme of meetings and training sessions held throughout 1995.<sup>123</sup> This was to enable the Lithuanian armed forces to begin the necessary process of restructuring. By the end of 1994, however, very little actual progress was to be achieved on this front: more was to be attained in the following years.

While the restructuring of Lithuania’s armed forces proceeded slowly during the 1991-1994 period, there were some major achievements and successes. The best example of this was the BALTBAT. In 1994 a Memorandum of Understanding (MoU) was signed between the three Baltic States, Denmark, Finland, Norway, Sweden and the UK which promoted the formation of a joint Baltic Peacekeeping Battalion, designated BALTBAT. This unit adopted western military standards, taught by training teams supplied by the UK and Nordic states and was equipped with western materiel. Training standards were planned to be sufficient to ensure that the BALTBAT could be integrated with the United Nations’ Nordic Battalions.<sup>124</sup>

By the end of 1994 the BALTBAT comprised a rifle company from each of the three Baltic States plus an integrated joint headquarters and logistics company. It was being trained by UK Royal Marines in the former Soviet camp at Adazi in Latvia. Materiel with an estimated value of US\$10 million was supplied by Germany, the USA and the Nordic states. The members of the BALTBAT wore US Army uniforms with their individual national insignia. Germany was committed to supplying over two million rounds of ammunition from former East German stocks, while Sweden provided electronic targets and other support equipment. Danish representatives were to chair a steering group that co-ordinated the provision of supplies from the committed states.

The Royal Marines in charge of the common training of the tri-national brigade found that the legacy of fifty years of Soviet military training was challenging to



overcome. The basic weapon training programme was standardised on the Chinese Type 56 version of the AK-47M assault rifle and the SA-60 rifle drills as practised in the UK were adapted to suit the AK-47. Sgt. Steve Goodwin, one of the Royal Marines' instructors at Adazi, emphasised their commitment to safety, which had traditionally been overlooked by former Soviet military instructors: "safety . . . is something which is obviously not in the Russian military culture."<sup>125</sup> This opinion was confirmed by a Latvian officer in the BALTBAT, who described his initial training process under the Soviet regime as being one of a large class (usually composed of a minimum of 30 recruits) who would merely watch a lone instructor demonstrate how to strip and make ready a *Kalashnikov*, yet the recruits themselves were rarely able to handle a gun, let alone fire it. Combatting the lack of morale displayed by the Baltic troops, again a legacy of 50 years of conscription into the Soviet Red Army, also proved to be a significant obstacle to western instructors.<sup>126</sup>

The Lithuanian participants in the BALTBAT, however, drawn from the elite *Geležinis Vilkas* Brigade, were committed to learning as much as they could from their western instructors, in order to be able, in turn, to pass on that knowledge to the rest of the Lithuanian armed forces. As an un-named Lieutenant said in March 1994 after completing the first period of training at Adazi, "we want to be able to go back to our country with new skills. For us it's a way to guarantee our country's security."<sup>127</sup> To continue training according to western standards, Lithuania sent troops to Denmark, Germany and Sweden during 1993-1994.

Latvian trainee troops have been aided during this period of reconstruction by the presence in Latvia of Lt. Col. Janis Kazocins, a British Army officer of Latvian origin who has been on secondment to Latvia since 1992 and has been appointed deputy chief of staff of the Latvian armed forces. The UK Foreign and Commonwealth Office's Know How Fund has also enabled Latvian officers to attend training courses in the UK and other European states.<sup>128</sup> The Lithuanian, Latvian and Estonian general staffs all aspired to create a joint syllabus on the basis of BALTBAT training, which could be used in future years to train future regiments of Baltic troops.<sup>129</sup>

After the initial training period at Adazi, specially selected recruits were tasked with forming "Commander's Cadres" in each of the Baltic States to train troops. Emphasis was placed on the teaching of English and safe practices for weapons' handling. The Cadres were due to receive further training at Adazi in February 1996 before leading their nation's company on a UN peacekeeping tour with one of the Nordic states. But providing the training to the initial BALTBAT has not been inexpensive. Latvia had to allocate 8 percent of her entire defence budget to ensure that its 33 officers could participate and Estonia had to use five percent of her defence budget.

Linking the BALTBAT with NATO members was viewed as being an important step to potential North Atlantic Alliance membership, but involving two non-aligned Nordic States in its military affairs ensured that Russia and the other CIS states did not perceive the formation of the BALTBAT as a form of premature or



“back door” NATO membership, which could easily heighten tension in the region. Despite the fact that not all of the western states engaged in assisting the BALTBAT were NATO members, this did not appear to pose problems for the Battalion, as confirmed by Lt. Col. Lars Rangstrom of the Swedish armed forces HQ. In an interview in March 1994 he stated that although the BALTBAT might use NATO standard drills for infantry training. “The principles of UN peacekeeping are common to . . . all the Nordic countries.”<sup>130</sup>

Initial reports suggested that the BALTBAT has proven to be a successful venture, demonstrating both closer Baltic co-operation and close regional co-operation. Although Estonia’s chief of peacekeeping, Lt. Col. Mart Tiru, indicated that the BALTBAT was the only planned joint unit. It is now highly probable that common staff level teaching and procurement are being considered by the three states. BALTBAT’s contribution to the three states’ real security, however, remains questionable. Recognised skills in the field of peacekeeping would prove to be of little use in the face of serious aggression towards any of the Baltic States.<sup>131</sup>

Lithuanian troops in the years between 1991 and 1994 were also involved in UN peacekeeping operations apart from those undertaken as part of the BALTBAT’s commitments. They were involved in one of the most extensive and delicate peacekeeping operations in the history of the UN: UNPROFOR.<sup>132</sup> Thirty-three Lithuanian troops saw active service in Croatia, where they were praised for their actions by both UNPROFOR commanders and civilians alike. In Croatia, where the Lithuanian troops were most active, it was the sensitivity of the Lithuanians to the problems of the civilians which was most appreciated, as this mindset had been found to be lacking in other national peacekeeping forces.<sup>133</sup>

Until the problem posed by a lack of equipment and manpower could be resolved, however, Lithuania’s forces were able to participate only in a limited number of operations. Nonetheless, what they were able to achieve was remarkable, given their limited capabilities and the hurdles which they had to overcome.

By 1994 therefore, Lithuania had only minimal success in the field of restructuring her defence and guaranteeing her security. The crucial objective of attaining a real and concrete security guarantee had not been achieved and this was the most serious obstacle facing Lithuania as the situation to her east grew increasingly unpredictable. Nonetheless an element of re-integration into the international community had been achieved with admission into the NACC and the acquisition of Associate Partner Status in the WEU. But by the end of 1994, Lithuania was not alone in this predicament. None of the former East Bloc or Soviet states had achieved admission into the WEU or NATO, and none of these states had the security guarantees that were desired to protect them from the effects of instability in Russia and none of them were any closer than Lithuania to achieving such guarantees.

Western states, while supporting the transition to democracy under way in the region, were not prepared to antagonise their former enemy, Russia, and were still uncertain of the future these states might have. The return to power of former



Communists, as in Lithuania, Belarus and Hungary, was cause for concern, even though commitments to maintaining democracy were pledged by many of the re-elected former Communists. As Ojars Skudra stated, "the West wants the states of Central and Eastern Europe to speak with one voice . . . NATO can not provide a security guarantee while the Visegrad states try to differentiate themselves from their neighbours, but at the same time return Communist governments. There is no alternative security guarantee to NATO that would be as effective, but NATO can not give it to them."<sup>134</sup>

While failing in their principal objective, however, the Lithuanians did make some progress in the restructuring of their military forces and achieved some success in this sphere. Their participation in the BALTBAT and in peacekeeping operations is commendable and boded well for future collaboration. Western assistance in this achievement was vital and at the same time highly effective both in the fields of training and planning. The legacy of living under occupation however, in particular the reluctance to use initiative or shoulder responsibility, was a hurdle which required serious attention. Lithuania's military forces had to be retrained in many areas, ranging from basic safety drills to logistics instruction.<sup>135</sup> Her negotiators also had to learn western practices when applying for entry into international organisations. But these were obstacles which were common to the whole region and not Lithuania-specific.

In comparison with the other states in the region, Lithuania was in a relatively stable position. There were no serious minority issues and the limited internal threat of potential terrorism at Ignalina had been contained. Kaliningrad was still a grievance and a concern and the obvious threats from Belarus and Russia could not be overlooked. Despite her best efforts, however, the maintenance of Lithuania's security and defence was in the hands of forces beyond her control. In accepting that the vital security guarantee from NATO would not be forthcoming in the immediate future, the Lithuanians were required to adopt a somewhat fatalistic attitude toward their future and concentrate on reconstructing their state while pretending to ignore the growing uncertainties in the East. Unfortunately, potential western investors in Lithuania or, indeed, in any states in the region, were not able to overlook this threat so easily and thus Lithuania's rebirth and regeneration in all spheres in the years between 1991 and 1994 were adversely affected, again not entirely through the deliberate fault of Lithuania's governments or her people.

## Notes

1. Vytautas Landsbergis, repeated in *The Independent* 31 January 1994.

2. With the realisation that "Leninism" no longer guaranteed political authority by April 1991, plans for a new Union of Soviet Sovereign Republics were laid. They were, however, superseded by the events surrounding the August 1991 Moscow coup and the declarations of independence of former Soviet republics which followed it. On 14 November, 9 of the 15



former republics reached agreement on the creation of a new Union of Sovereign States, but when over 90 percent of voters in Ukraine voted in favour of total independence in a December referendum, the leaders of the three Slav republics (Russia, Belarus and Ukraine) decided to create a Commonwealth of Independent States, which would provide for unitary control of nuclear arms, a single currency and a single economic area on 8 December. On 21 December, 8 other former Soviet republics joined the Commonwealth, but the three Baltic States remained outwith the Commonwealth. On 26 December 1991, the Upper House of the Supreme Soviet voted to formally end the Union of Soviet Socialist Republics. See White, *S. Gorbachev and After*, Cambridge University Press: 1992 .

3. See Chapter 1.

4. Both before and after the collapse of the USSR there were serious regional conflicts throughout its territory, most notable conflicts between Armenia and Azerbaijan and between Chechnya, Ingushetia and the Russian Federation. See Corley, F. (ed) *Jane's Sentinel: Commonwealth of Independent States*, Jane's Information Group: 1994.

5. In 1991, there were still 43,000 Russian (ex-Soviet) troops in Lithuania. These included 1 motor-rifle division, 1 active air-borne division, 2 artillery regiments, with 180 main battle tanks, 800 armoured personnel carriers and 4 SS-21 batteries. (Source: Paul Beaver, interview, 21 May, 1997.)

6. The Russian minority in Lithuania in 1994 amounted to 316,000, or 8.5 percent of the population. In contrast, Russians made up 33.5 percent of the Latvian population and 30.3 percent of the Estonian population. Source: Beaver, P. (ed) *Jane's Sentinel: Central Europe and the Baltic States*, Jane's Information Group: 1996, 17.

7. Brigadier General Eckhart Fischer, Defence and Military Attache, German Embassy in London, interview, 23 October 1995.

8. This success was partly achieved because Stankevičius had a good working relationship with Yeltsin. But the withdrawal of Russian troops was made easier by the fact that the Lithuanians did not raise additional complications when negotiating the withdrawal. To take into account the sizeable Russian minorities in Latvia and Estonia, both of those governments demanded additional clauses in official agreements which created more complications and aroused the hostility of the Russian negotiators, who became even less inclined to assist the Latvians and Estonians in the process of troop withdrawal. The small Russian population in Lithuania, however, did not suffer the severe problems of discrimination as endured by the Russian minorities in the other Baltic States and as a result the actual terms of the agreement for troop withdrawal were much less problematic and therefore easier to enforce. (Admittedly, many of the Russian forces billeted in Lithuania did not want to return to the Russian Federation, rightly believing that they would be returning to a lower standard of living than had been enjoyed in Lithuania.)

9. C. Stankevičius, interview, 22 June 1994 .

10. Andrzej Jeziorski, *The Baltic Independent*, 18 June 1995.

11. C. Stankevičius interview, 22 June 1994.

12. Deputy Foreign Minister Rokas Bernotas, interview, 3 April 1994.

13. Former Foreign Minister Algirdas Saudargas, interview, 22 June 1994, and from conversations with numerous Lithuanian citizens in the course of June 1994.

14. See Chapter 2 for greater details of "mafia" activities.

15. As explained in the manifestos of both Sąjūdis and the LDLP.

16. That is, by ensuring that there was no internal strife which could escalate and threaten the stability of Europe such as the situation throughout the 1991-1994 period in the Balkans.

17. Paul Beaver, interview, 14 January 1995.



18. Beaver, P. (ed.) *Jane's Sentinel: Central Europe and the Baltic States*, 9.
19. Such as Bruce Clark, *The Financial Times*, Adrian Bridge, *The Independent* or Anatol Lieven, *The Times*.
20. Ojars Skudra, University of Latvia. From a lecture entitled "*Die Baltischen Staaten auf schwankendem Boden*" given at the University of Munich, 29 November 1995.
21. This was not only mentioned by HE Michael Peart, British ambassador to Lithuania, interview, 22 June 1994, but also by C. Stankevičius and former Minister of Foreign Affairs Saudargas. Before I started my research, I had expected most Lithuanians to be more supportive of closer relations with Latvia, sharing a common Baltic identity, but they were not.
22. Beaver, P. (ed.) *Jane's Sentinel: Central Europe and the Baltic States*, 15.
23. Latvia had a 1,500-strong army, a 250-strong air force and a 1,100-strong navy. The armed forces possessed no strategic weapons, ballistic missiles, nuclear weapons, biological weapons or chemical weapons and no serious armour (12 armoured personnel carriers) or aircraft (3 transporters and 5 trainer helicopters) and only 14 patrol crafts and a minesweeper for a navy. Latvia did have, however, an 18,000-strong home guard, but it lacked any heavy weapons. Source: Beaver, P. (ed) *Jane's Sentinel: Central Europe and the Baltic States*, 11-15.
24. Former Foreign Minister A. Saudargas, interview, 21 June 1994.
25. Brazauskas and Yeltsin had developed an extremely close working relationship dating back to their days working together under Gorbachev. In conversations with ordinary Lithuanians around the country during June-July 1994, however, I personally found that this optimism was not shared by the average citizen.
26. Ministry of Foreign Affairs briefing paper, April 1993.
27. The term was used frequently by former Minister of Foreign Affairs Saudargas during our interviews.
28. See, for example, statements made in *The Independent*, 31 January 1994 or 7 February 1994.
29. *The Independent*, 8 December 1993.
30. *The Independent*, 15 December 1993.
31. Decree issued by Kozyrev on 14 April 1994. The three Baltic States' presidents issued a joint statement condemning this and demanding a retraction by Kozyrev.
32. C. Stankevičius, interview, 22 June 1994. He led the negotiations on the withdrawal of the Russian troops from Lithuania and had excellent knowledge of the Russian mentality.
33. Former Foreign Minister A. Saudargas, interview, 21 June 1994.
34. Former Foreign Minister A. Saudargas, interview, 21 June 1994.
35. Source: Corley, F. (ed) *Jane's Sentinel: Commonwealth of Independent States*, 17.

*Commanders of the Russian Armed Forces (1994):*

Strategic Rocket Forces:	Col. Gen. Igor Sergeev
Ground Forces:	Col. Gen. Vladimir Semenov
Air Force:	Col. Gen. Aviation Petr Deinekin
Navy:	Admiral Feliks Gromov

These commanders had risen through the ranks of the Communist armed forces and were not necessarily totally supportive of the Yeltsin regime. This was of grave concern not only to Lithuania, but also to the other Baltic States.

36. Corley, F. (ed) *Jane's Sentinel: Commonwealth of Independent States*, 21-35.



37. Deputy Foreign Minister R. Bernotas, interview, 5 September 1995.
38. C. Stankevičius, interview, 21 June 1994.
39. Stasys Vaitekunas, Rector of Klaipeda University, television interview, 28 June 1994.
40. Stasys Vaitekunas, Rector of Klaipeda University, television interview, 28 June 1994.
41. Syskowski, H. M. F. *Ostpreu en: Königsberg und das Königsberger Gebiet* Kraft, 1994.
42. *The Financial Times*, 26 November 1991.
43. *The Financial Times*, 22 November 1991.
44. *The Financial Times* 29 January 1994.
45. *The Financial Times*, 11 November 1994.
46. C. Stankevičius, interview, 21 June 1994.
47. Deputy Foreign Minister R. Bernotas, interview, 16 February 1995.
48. Since the reign of Peter the Great, this need, both to be close to Europe and for a warm water port, had been emphasised. Kaliningrad met both of these criteria.
49. Beaver, P. (ed.) *Jane's Sentinel: Central Europe and the Baltic States*, 4.
50. Corley, F. (ed) *Jane's Sentinel: Commonwealth of Independent States*, 34.
51. Corley, F. (ed) *Jane's Sentinel: Commonwealth of Independent States*, 34.
52. Corley, F. (ed) *Jane's Sentinel: Commonwealth of Independent States*, 33.
53. Admiral Galvinas, Lithuanian Navy, interview, 16 July 1995.
54. The importance of Belarus was not only emphasised by Lithuanian ministers to whom I spoke, but also by the British ambassador to Vilnius at the time, H. E. Michael Peart.
55. Baltic Survey, March 1994.
56. *The Observer*, 2 April 1995.
57. Both Saudargas and Stankevičius adamantly supported this view.
58. Corley, F. (ed) *Jane's Sentinel: Commonwealth of Independent States*, 14-19.
59. *The Financial Times*, 16 December 1991.
60. *The Financial Times*, 16 December 1991
61. *The Financial Times*, 23 August 1991
62. Vladas Gaidys, Baltic Survey, interview, 25 June 1994.
63. See Chapter 2.
64. Beaver, P. (ed.) *Jane's Sentinel: Central Europe and the Baltic States*, 13-24.
65. Former Foreign Minister Saudargas, interview, 21 June 1994.
66. See Appendix 2.
67. This view was supported both by C. Stankevičius, interview, 22 June 1994, and Deputy Foreign Minister R. Bernotas, interview, 6 May 1995.
68. Deputy Foreign Minister Rokas Bernotas, interview, 9 February 1994.
69. van Ham, P. (ed) *Chaillot papers, No. 19: The Baltic States: Security and Defence After Independence*, Institute for Security Studies, Western European Union: June 1995, 25.
70. President A. Brazauskas, speech to the secretary general of NATO and to the North Atlantic Council, Brussels, 27 January 1994.
71. Deputy Foreign Minister R. Bernotas, interview, 18 June 1993.
72. President A. Brazauskas, speech, 27 January 1994.
73. President A. Brazauskas, speech, 27 January 1994.
74. Lithuanian Ministry of Foreign Affairs Briefing Paper, February 1994.
75. Stankevičius echoed this sentiment, as did many Ministry of Foreign Affairs employees to whom I spoke.
76. *Minorities in Central Europe and the Baltic States*:



(The figures given are for the percentage of minorities in each country.)

Belarus:	22.0%
Czech Republic:	18.8%
Estonia:	38.5%
Finland:	7.0%
Latvia:	46.5%
Lithuania:	18.9%
Poland:	2.0%
Russian Federation:	18.0%
Slovakia:	14.3%
Sweden:	9.0%

Source: Jane's Information Group.

77. Eyal, J. *The Independent*, 8 December 1993.

78. A British diplomat, interview, 18 November 1995.

79. He is not allowed to be named.

80. Eyal, J. *The Independent*, 8 December 1993.

81. German Defence Select Committee Hearing, 3 May 1995.

82. Jacques Delors and John Major were among statesmen in Europe who opposed President Clinton's push for early NATO expansion. Delors complained that the move was "premature and badly timed," splitting the Alliance and angering the Russians. (See *The Independent* 8 December 1994.)

83. "Great Britain backs the expansion of NATO in the longer term" *The Independent*, 22 November 1994.

84. Eyal, J. *The Independent*, 8 December 1993.

85. For example, the 1 December 1994 speech by Foreign Minister Andrei Kozyrev in which he "warned NATO not to draw new dividing lines in Europe by expanding Eastwards too rapidly." Source: *The Financial Times*, 2 December 1994.

86. Former Foreign Minister Saudargas, interview, 21 June 1994.

87. *The Financial Times*, 30 March 1994.

88. *The Financial Times*, 13 November 1995.

89. Partnership for Peace was established by the American government to, in the words of Jonathan Eyal of RUSI, "to keep the Eastern Europeans hopeful and the Russians happy, to straddle the median line between appeasing Eastern Europe's fears of a potential threat and pretending that no such threat actually exists." *The Independent*, 27 May 1994.

90. The Report of the Lithuanian Ministry of Foreign Affairs on the First Bilateral talks on US-Lithuanian Defence Co-operation, 12 May 1994.

91. President Brazauskas' speech to the North Atlantic Council, 27 January 1994.

92. Deputy Foreign Minister R. Bernotas, interview, 28 June 1994.

93. Baltic Survey: a poll conducted from 14-29 May 1994 throughout Lithuania.

94. Deputy Foreign Minister R. Bernotas, interview, 7 December 1994.

95. Baltic Survey poll during May 1994.

96. Foreign Minister Bronislovas Lubys, speech to the *seimas*, 26 January 1994.

97. C. Stankevičius, interview, 22 June 1994.

98. *The Independent*, 8 December 1993.

99. *The Independent*, 8 December 1993.

100. President Brazauskas speech, 27 January 1994.



101. Ministry of Foreign Affairs Report on the First Bilateral talks on US-Lithuanian Defence Co-operation.

102. Eyal, J. *The Independent*, 23 August 1994.

103. H. E. Ambassador Peart, interview, 21 June 1994.

104. See Appendix 2 for the minority figures for Latvia and Estonia.

105. Deputy Foreign Minister R. Bernotas, interview, 16 February 1995.

106. Every Lithuanian to whom I spoke in the years 1991-1994 shared this opinion.

107. Deputy Foreign Minister R. Bernotas, interview, 18 June 1994.

108. van Ham, P. (ed) *Chaillot Papers*, 31.

109. Professor T. C. Salmon, University of St. Andrews, interview, 4 March 1994.

110. Deputy Foreign Minister Bernotas, interview 18 June 1994. This feeling of being able to contribute to the guaranteeing of Europe's security by working with the WEU was re-emphasised in 1995 when on 5 December it was announced that the WEU was seeking to establish a Baltic Naval Force, composed predominantly of Lithuanians, Latvians and Estonians. Paul Beaver of *Jane's Defence Weekly* argued that this actually demonstrated the weakness and incompetence of the WEU as what appeared to be a beneficial move toward closer integration of the Baltics into the WEU would in reality actually cause only more problems for them, as all three states' Navies were completely inadequate for any type of serious defensive duties. (Interview, 15 December 1995)

111. Peter Gooderhan, FCO deputy head of the security policy department, interview, 27 November 1995.

112. Bruce Clark, diplomatic editor, *The Financial Times*, interview, 18 December 1994.

113. Beaver, P. (ed.) *Jane's Sentinel: Central Europe and the Baltic States*, 12.

114. Beaver, P. (ed.) *Jane's Sentinel: Central Europe and the Baltic States*, 14-15.

115. Beaver, P. (ed.) *Jane's Sentinel: Central Europe and the Baltic States*, 14. In 1995, however, significant progress was made in expanding the Air Force with the decision of the Ministry of Defence to acquire a further 8 L-39 from the Czech manufacturer Aero Vodochody. But with a value of US\$1.9 million per aircraft, the Lithuanian Ministry of Defence had to work with Zdenek Chalupnik, president and chief executive of Aero Vodochody, to create a special financing package to allow Lithuania to proceed with the procurement. Between 1994 and 1995 the Air Force was further expanded with the acquisition of AN-24 and AN-26 transport aircraft and three Mil Mi-8 helicopters. By the end of 1997 Lithuania was aiming to have two transport and two fighter squadrons.

116. Beaver, P. (ed.) *Jane's Sentinel: Central Europe and the Baltic States*, 13. (1994 figures.)

117. Beaver, P. (ed.) *Jane's Sentinel: Central Europe and the Baltic States*, 13-14.

118. *Jane's Intelligence Review* September 1995, 408.

119. Zigmas Brazauskas, who served in the Army from 1982 to 1984, interview, 14 June 1994.

120. Paul Beaver, interview, 19 March 1995.

121. Brigadier General Eckhart Fischer, defence and military attache, German Embassy in London. Interview 22 October 1995. He expressed the belief, echoed by a number of senior German military personnel, that Germany, and her military in particular, is still burdened by the legacy of World War II and Hitler's regime. This attitude influenced all military operations and prevented Germany from participating even in limited peacekeeping actions. Therefore any assistance in the military sphere could not involve active participation in training.

122. Beaver, P. (ed.) *Jane's Sentinel: Central Europe and the Baltic States*, 15.



123. See *Programm für die Entwicklung militärpolitischer Beziehungen/militärischer Kontakte zwischen den Streitkräften Litauens und der Bundeswehr* 2 December, 1994.

124. *Jane's Defence Weekly* Vol. 23, No. 9, 1995, 19.

125. *Jane's Defence Weekly* Vol. 23, No. 9, 1995, 19.

126. *Jane's Defence Weekly* Vol. 23, No. 9, 1995, 19.

127. *Jane's Defence Weekly* Vol. 23, No. 9, 1995, 19.

128. Graham Bashford, Foreign and Commonwealth Office Know How Fund Desk. Interview, 27 January 1997.

129. *Jane's Defence Weekly* Vol. 23, No. 9, 14.

130. *Jane's Defence Weekly* Vol. 23, No. 9, 14.

131. *Jane's Defence Weekly* Vol. 23, No. 9, 14.

132. UNPROFOR was established in January 1992 to "create the conditions of peace and security required for the negotiation of an overall settlement." (*The Independent*, 21 December 1992.) It was mostly involved, however, in humanitarian relief as the Balkan conflict descended into "terrifying ethnic warfare."

133. One could argue that the US troops, for example, had extremely little understanding of the real reasons behind the Balkan conflict: the determination to preserve ethnic and/or national identities and the forces of nationalism which have influenced events in the region for over 1,000 years. The question of preserving national identity is one, however, which the Lithuanians were more than capable of understanding as there were certainly parallels with their own history.

134. O. Skudra, lecture.

135. Paul Beaver, interview, 25 April 1997.



## Chapter 5

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### Lithuania's Economy

*“One step forward, two steps back.”<sup>1</sup>*

The rebirth of the Lithuanian state during the period 1991 to 1994 was reliant on the reconstruction of the national economy. In 1991 it was a decaying relic of a Soviet central planning system that “bore little resemblance to economic reality”<sup>2</sup> and had brought little or no benefit to Lithuania during the course of the 50 years of occupation. Both in Lithuania and without the state, it was clearly understood that re-integration into the international community was conditional on the Lithuanian government, regardless of its leader, launching the state along the path to a market economy. This was necessary to ensure that the international community truly believed that Lithuania was intent on remaining an independent state and not like Chechnya, for example, which was only nominally independent from Russia or, as in the case of Belarus, aiming to maintain close economic and political ties with Russia. But it was only when Lithuania's independence was finally unilaterally recognised by the international community, following the abortive anti-Gorbachev coup in Moscow in August 1991, that the foreign economic assistance so desperately required by Lithuania began to materialise.

In March 1990, the government of the USSR believed that the imposition of an economic blockade on Lithuania would lead to the collapse of the newly established Lithuanian government and a renunciation of all claims to independence. Gorbachev's government, however, had erred in its judgement. In March 1990, 98 percent of all industrial enterprises in Lithuania were state-owned and managed and the Soviet government believed that a blockade would lead to the breakdown of Lithuanian industry, transport and other services in less than a fortnight.<sup>3</sup> The blockade, however, was only to be truly effective for 8 weeks and it was during this time that many companies in Lithuania were privatised<sup>4</sup> as during the period of the



blockade Lithuania's minute private sector excelled itself, fuelled by the popular enthusiasm generated by the nominal restitution of independence. The brevity of the blockade coupled with the season of its imposition (spring being easier to survive with shortages than winter) meant that the country continued to function. It has, in fact, been argued that had the blockade been imposed for a longer period of time, the foundations of Lithuania's private sector would have been more firmly entrenched and better able to withstand the economic difficulties that were inevitable during the period of transition which ensued.<sup>5</sup>

On the achievement of full independence in 1991, the Landsbergis government had to attempt to define Lithuania's economic policy in an attempt to fully re-integrate into the international community. The government held three main ambitions in 1991 which were to influence heavily the creation of its economic policy: the re-introduction of Lithuania's inter-war currency, the Litas (Lt); the transformation of Lithuania's economic system from a Soviet, centralised economy to a western-style market economy and the subsequent attainment of a western-level standard of living. This idealistic and over-ambitious policy summarised the attitude of the Landsbergis administration, which contributed to its eventual defeat at the hands of the Lithuanian electorate in 1992.

The Litas was one of the most tangible reminders of Lithuanian independence prior to the Soviet occupation of 1940 and its re-introduction was to be an emotional and symbolic issue, as well as a practical economic move. The re-introduction of the Litas, however, was not to occur overnight to the regret of many Lithuanians.<sup>6</sup> Until 31 July 1991, the legal currency of Lithuania remained the Soviet-issued Ruble, although the most widely-circulated currency on the black market was the US Dollar (US\$), followed by the Pound Sterling (GB£), the German Deutschmark (DM) and "Marlboro" cigarettes. The Ruble was highly unpopular throughout Lithuania, because not only was it a visible reminder of the years of Soviet occupation which had contributed, among other things, to Lithuania's economic decline from 1940, but because it had an extremely limited value as it was not convertible in western "hard" currency exchanges. Although relatively worthless by international standards, in 1991 the Ruble had accounted for some 43 percent of Lithuania's gross national product (GNP).<sup>7</sup>

The Litas was first introduced in Lithuania on 1 October 1922. In the four years of independence which had preceded this action, Lithuania's currency had been composed of a variety of different notes: German Ostmarks or Ostrubles, Avalov-Bermondts-marks, Kerenski-notes, Latvian rubles and even Bolshevik "revolutionary money." In the prelude to the introduction of the Litas, Lithuanian economists were divided over what value to accord the new currency in relation to the international market and international exchange rates. The "Patriots" wanted to fix the value of the Litas as being US\$1:Lt5. The opposing faction, the "Realists," however, argued that this proposed rate of exchange was too high for a war-devastated, newly-independent state. Their arguments prevailed and in 1922 the exchange rate was formally established as being US\$1:Lt10.<sup>8</sup> One Litas was



composed of 100 centas and contained 0.150462 grams of pure gold.<sup>9</sup> The first Litas notes were printed in Berlin and later in Czechoslovakia and in the United Kingdom by De La Rue. The American Banknote Corporation assumed the bill-printing tender offered by the Lithuanian government in 1924.

In 1991 the American Banknote Corporation again received a contract from the government of Lithuania to reprint the new Litas. But delays in the re-issuing of the currency were to occur, mostly because of the continued existence in circulation of so many Rubles. As a result of this, the Ministry of Economics, responsible for relaunching Lithuania's new currency, decided that with the re-introduction of the Litas, a significant amount of Rubles would have to be taken out of circulation. To resolve the problem of interstate payments with Russia and other former Soviet republics, the Lithuanian government decided to establish a transitional currency, the Talonas, which came into circulation on 1 August 1991. The publicly-announced temporary nature of the new currency, however, was to restrict its usefulness, as the majority of Lithuanian people distrusted it, referring to it as "Animal Money," in reference to the designs of indigenous Lithuanian animals and birds printed on the back of each note.<sup>10</sup>

Finally, on 25 June 1993, three years after the restitution of Lithuania's independence and two years after that independence had received unconditional international acknowledgement, the Litas was formally re-introduced after a period of 53 years. The exchange rates were set at US\$1:Lt4, GB£1:Lt6 and DM1:Lt2,3. Lithuanians with memories of the inter-war years recalled that the Litas had been a stable and reliable currency and its re-introduction brought with it memories of relative political stability and social and economic well-being.<sup>11</sup> The reasonable rates of exchange with western currencies, especially when compared with the Russian Ruble or even the Italian Lira, reflected the faith which the international markets placed in Lithuania's stability and prospects. By 1994, however, it was felt that perhaps this faith had been misjudged, as the economy was not performing as well as had been predicted, with industry working only at half capacity throughout most of the year. Suggestions were raised in the *seimas* about decreasing the value of the Litas in relation to western currencies, but there was great reluctance to do so on the part of the government, for fear that this would signify to the international community that Lithuania's post-Soviet economic policies had proven to be unsuccessful, which would discourage foreign investment in Lithuania.<sup>12</sup>

According to the director of macro-economics in the economics ministry, Dr. Gediminas Miškinis, several fundamental mistakes were made regarding the handling of the re-introduction of the Litas.<sup>13</sup> Most obviously, the time factor. The Latvian currency, the Lat, was re-introduced in 1992, a year before the Litas, although Latvia had only been universally recognised as an independent state for the same length of time as Lithuania. Lithuania needed a fully convertible currency to encourage foreign investment in any significant amount as well as for the boosting of popular morale. Delays in the re-introduction of the Litas allowed Lithuania's economic difficulties (difficulties inevitable in the rebirth of any state



coupled with those arising as a result of the need to radically alter the economic structure of the whole country) to accumulate.

Dr. Miškinis also argued that the government should have allowed the Bank of Lithuania to have sole responsibility for the establishment of Lithuania's monetary policy. The official exchange rate was originally established by the Bank of Lithuania working in conjunction with the government, but the government found itself in the unenviable position of having to borrow a considerable amount of money from the Bank to finance its policies between 1991 and 1994 and was therefore considered to be an unequal partner for such an important relationship.

A further crucial mistake was made by the government and the Bank of Lithuania in the fixing of the international exchange rates for the Litas in 1994. The decision was taken on the 1994 rate on 1 April of that year. This proved to be a rudimentary misjudgment of timing as it was the day on which value added tax (VAT) was added on to all prices for the first time, causing both unavoidable price rises and an increase in inflation.

Perhaps the most serious misjudgment, however, which was not recognised by the Lithuanian Ministry of Economics, was made in determining to which state's currency the Litas should be pegged. To properly establish a new currency on the international market, it needs to be pegged to a state with similar levels of inflation and/or with a similar pattern of economic growth. By choosing to peg the Litas with the US dollar, the Lithuanian government failed to comply with either of these guides. On 1 April 1994, for example, Lithuania's inflation was a miraculously low 1.6 percent, but that of the USA was merely 0.4 percent. Similar problems were also encountered by Estonia, which pegged its Krown to the Deutschmark despite having serious problems with inflation: in one month in 1994, Estonian inflation was greater than that in Russia.

One must wonder, therefore, why both the Lithuanian government and the Bank of Lithuania were so insistent on pegging the Litas to the US dollar. This is most probably an inheritance from the first period of independence in the twentieth century. Throughout Lithuania, especially among the older generations who remembered independence, there existed a widespread desire to return to the inter-war years and eradicate as many memories as possible of the period of Soviet occupation. Many people believed that this could be achieved by restoring the mechanisms of government to the way they were in 1939. Restoring an independent, convertible Lithuanian currency and pegging it once again to the US dollar was seen as being one of the most graphic ways of illustrating this, even though the differences between Lithuania and the USA were far greater in 1994 than they had been in 1918. The USA in 1994 was the last remaining truly global superpower, while Lithuania was struggling to heal herself from the damage caused by the Soviet occupation and was floundering in the lowest ranks of a table of Eastern European Competitiveness created by Ernst and Young and World Link. The results of this survey indicated that Lithuania was in the third division of central and eastern European states: on a scale of 1-5 (5 being the highest possible



score) Lithuania scored no higher than a 3 and more frequently only a 2 on assessments of economic prospects and stability.<sup>14</sup>

Although the main aim of the Landsbergis government, and indeed that of a significant number of the Lithuanian population in 1991, the re-introduction of the Litas, had been achieved by 1994,<sup>15</sup> this alone was not sufficient to surmount all of the economic challenges posed by the need for a transition to a market economy. While there was a great deal of popular contentment at the eventual restoration of the Litas, inflation, inevitable in the period of great transition dominating the years between 1991 and 1994, created a new era of hardship and led to the spawning of new divisions within society which were to accentuate both the successes and the failures of Lithuania's economic evolution in the three years following international recognition.

The transition to a market economy, which influenced the direction of government policy for these crucial years was not, of course, solely about the re-introduction of an independent currency. It was to cover the rebirth of the banking network, which had been relatively widespread in Lithuania before 1940, the complex process of privatisation and the attraction and subsequent use of foreign investment.

The reconstruction of Lithuania's banking network was vital for the adaptation to a market economy. All banks in Lithuania during the period 1991-1994 were established in accordance with legislation contained in the 1991 Laws on the Bank of Lithuania, Commercial (Joint-Stock) Banks and Joint Stock Companies.<sup>16</sup> Licenses necessary for the (re-)establishment of a bank were available from the Bank of Lithuania and then, conforming to directives laid down in the 1991 Commercial (Joint-Stock) Bank Law, a bank could then be established in either an "open" way, with the bank's founders acquiring part of the nominal capital specified in the statutes, with the remainder being acquired by the offering of shares available for public purchase, or in a "closed" way, with all of the shares in the bank being held by the bank's founders or distributed by these founders to a specific market rather than in a public sale.<sup>17</sup>

The 1991 legislation enabled both individuals and legal entities to establish a bank on Lithuanian territory. Several requirements were contained in this legislation, however, which had to be fulfilled in order to do so. The most important was the need for the individual founder or legal entity to be a citizen of Lithuania or registered therein. There had to be a minimum of 10 individual founders per bank, unless it was to be a joint venture, in which case the minimum number of founders could be reduced to two, as long as one of them was a credit union. Lt10 million was the minimum amount of capital required in order to register a bank, but from 1 July 1995, this value was to increase to Lt20 million.

The 1991 legislation enabled foreign banks to establish branches in Lithuania by allowing their registration as a foreign-capital enterprise. It was necessary to obtain a special license from the Bank of Lithuania which could only be issued three months after the date when the Bank of Lithuania received all of the



documents relevant to the establishment of the branch. This was a particularly carefully-worded clause, because "documents relevant" was open to a variety of possible interpretations depending on the relationship between the bank and the foreign credit union hoping to establish a branch in Lithuania.

ECU 5 million was the minimum capital necessary for registration as an individual branch of a foreign credit union, but its development (following the successful acquisition of a license which could be held for an indefinite period) could only proceed after the payment of a registration fee of US dollar 10,000 or its equivalent in another convertible foreign currency. The Bank of Lithuania did, however, retain an element of control over the foreign credit union: the right to curtail or terminate its activities if an office were not opened within six months of license acquisition; if the founding bank were liquidated or if any Lithuanian laws were broken. Indigenous Lithuanian banks, however, had to conform to equally specific requirements regarding monetary reserves; minimum nominal capital and its ratio to the bank's assets; liquidity; individual loans; deduction of profits to capital reserves and foreign currency risk limits. Failure to adhere to these requirements could result in the closure of the bank.

By 1994 most Lithuanian banks were offering services comparable to their western counterparts, such as the provision of current and deposit accounts; loans; limited foreign currency transactions; the purchase and selling of some precious metals and the leasing of safety deposit boxes. Unlike in many western states, for example, the UK, interest paid on deposits at a fixed rate agreed between the bank and the individual customer was not to be taxable.

The concept of individual loans was one which had been prohibited under the Soviet regime and was to prove most attractive to the average Lithuanian citizen. They were made available, usually on short-term periods of between three and six months but had extremely high interest rates. In 1993 the lowest interest rate on a loan was 71.4 percent in August, but the highest rate had been reached in June, a staggering 130.7 percent.<sup>18</sup> Before the authorization of a loan, a number of guarantees were required: mortgage documents on any real-estate (or given that during this period the majority of Lithuanians still lived in state-owned accommodation, mortgage documents on a car or other significant consumer good would suffice). With the mortgage document, a letter of guarantee from a third party, enterprise or bank and the adoption of a loan insurance policy were also necessary. For business purposes, not only did the above criteria have to be met, but a customer had to produce a detailed business plan, a statement of cash flows and tax returns as well as identity papers and a written guarantee of the ability to repay the loan.

By the end of 1994 the largest number of banks were located in the capital, Vilnius. Their apparent success was indicated by the fact that many banks occupied substantial refurbished premises in the centre of the capital. In Lithuania's other major economic centres, however: Kaunas, Klaipeda and Šiauliai, independent regional banks provided a significant service to much of the Lithuanian population.



In March 1994, Ūkio Mankas in Kaunas and Vakaru Bankas in Klaipeda ranked, according to the amount of authorised capital stock assets, in the top 10 banks of Lithuania.

Between 1991 and 1994, some foreign credit lines were established by several Lithuanian banks with foreign institutions. The Commercial Vilnius Bank used two types of credit lines: short-term credits guaranteed by US and German banks and direct credits, which were not accompanied by a guarantee, from German, Swedish, Danish, French and Italian banks. During 1994, the Lithuanian Joint-Stock Innovation Bank, the first bank in Lithuania to operate on commercial grounds following the restitution of independence and to be oriented towards long-term financing since its registration in 1988, drafted general agreements of a similar nature with Swiss and German banks and with the European Bank for Reconstruction and Development (EBRD).

The Lithuanian banking network could not, however, totally reorient itself towards Europe and the USA. Out of necessity, during the 1991-1994 period, close banking ties had to be maintained with the Russian Federation and other members of the Commonwealth of Independent States (CIS), given the continued economic relations maintained between Lithuania and this region.<sup>19</sup>

As a result of the slow development of securities, capital and insurance markets, by the end of 1994 banks were considered to be the most significant sector of the money market in Lithuania.<sup>20</sup> In 1993, 29 banks had generated 10 percent of Lithuania's GNP.<sup>21</sup> 1992 should be seen as the turning point for Lithuania's ever-increasing banking network. This was partly a result of the economic boom which occurred following international recognition of Lithuania after August 1991.

During the period 1992-1993, joint-stock commercial banks increased their share in the banking capital market: in 1993 the base capital of this group increased 7.7 times, their network of branches and bureaux by five times and their assets by 2.6 times. The state banks, however, maintained their dominance of the market, holding 61 percent of banking capital, 63 percent of loans and 65 percent of fixed deposit markets.<sup>22</sup>

In 1993, however, the initial security of the banking network in Lithuania was to be destabilised as a result of the waging of a dispute regarding the dominance of the fixed-term deposit market. Officially functioning banks were challenged by firms engaged in illegal credit-deposit activities. For a considerable period of time, registered banks attempted to compete with their opposition by offering higher interest rates to attract customers (the non-registered banks offered two to three times higher interest), but until the collapse of a number of these illegal operations following bankruptcies and a series of financial scandals, the officially recognised banks were unable to develop as effectively as had been expected following their first few years' performances.

With the fall of inflation by the end of 1993,<sup>23</sup> however, Lithuania's official banks were able to strengthen their position on the deposit market. During the course of 1994, increasing numbers of banks were able to offer the highly-desirable



western-style conditions, which brought with them an air of confidence in the Lithuanian banking system, although despite the clampdown of 1993 there were still a significant number of charlatan institutions offering exceptional interest rates for fixed-term deposits and all too often disappearing without a trace overnight.<sup>24</sup> Nonetheless, despite relatively low interest rates, the deposits held in registered Lithuania banks remained, by December 1994, the most effective mechanism for the investment of free funds.

The re-establishment of Lithuania's banking network between 1991 and 1994 was a relative success, despite the growth of illegal money-lending institutions. Lithuania's success was rewarded in December 1993, when 7 Lithuanian banks became members of the international fund-transferring mechanism, SWIFT. The rise in the number of illicit operations, however, was merely a symptom of the general trend in the Lithuanian economy during this period; when freed from the confines of Soviet society, criminal organisations began to flourish throughout Lithuania, with the intention of extracting the greatest profit from wherever possible.<sup>25</sup> The newly developing economy was to become a prime target.

Although the re-establishment of the banking network in Lithuania was to be relatively smooth during the 1991-1994 period, privatisation was to be less so. This may be explained by the fact that it was a far more complicated process, with far more individual concerns at stake. Between 1991 and 1994 privatisation in Lithuania, as directed by the Ministry of Economics, was carried out in accordance with the 1990-1991 Law on Initial Privatisation of State Property of the Republic of Lithuania, the Law on Privatisation of Agricultural Enterprises of the Republic of Lithuania, the Law on Privatising the Housing Space of Republic of Lithuania, the Law on Conditions and Procedure of the Restitution of the Ownership Rights to Residents to the Existing Real Estate and the Law on Land Reform.<sup>26</sup>

With the passing of the Law on the Initial Privatisation of State Property in 1991, two-thirds of the value of the total amount of state property (excluding the actual land) were earmarked for privatisation. In September 1991, 200 small enterprises were privatised, 50 percent at auction and 50 percent by shares. A system of privatisation by voucher scheme was launched which entitled holders to bid for either ownership or shares in an enterprise with only five percent needing to be paid in cash.<sup>27</sup> The Initial Privatisation Law concentrated on Lithuania's manufacturing industry (factories and other industrial plants) and hotel privatisation. Agriculture, forestry, some communication enterprises and housing were omitted from the original law because of the difficulties which had to be faced regarding former ownership predating the Soviet occupation. Priority was given to small-scale privatisation, although some medium- and large- scale enterprises were dealt with at the same time as a method of encouraging the creation and development of the private sector in as many economic spheres as possible throughout Lithuania.

A significant challenge to privatisation, however, was posed by the total lack of understanding of its concept and mechanisms on the part of a substantial number



of Lithuanians, especially the workers who had the most to lose from the downsizing and streamlining of factories which was an inevitable accompaniment to privatisation. Education via the media was launched by the Lithuanian Information Institute in 1991 in an attempt to overcome this fundamental lack of knowledge and despite this difficulty, spokeswoman for the Lithuanian Information Institute, Kazimiera Janulaitiene, confirmed that there had been a "remarkable" amount of privatisation legislation passed during 1991. She accepted, however, that the "ratification [of these new laws] was easy compared with actual enforcement."<sup>28</sup>

Four prime areas were highlighted as being areas where the difficulties of privatisation could be eased. First in the training of Lithuania's lawyers, economists and business professionals able to understand the new legislation and its consequences, Sweden offered assistance in training, while scholarship schemes for Lithuanians to study abroad were negotiated with other European states and with the USA and Canada. Second, priority was to be given to the improvement and expansion of existing laws on foreign investment and trade to encourage the much-needed foreign assistance. Improvement was also desired for the laws on bankruptcy, monopolies, the structure of capital markets and the registration and transfer of securities. Finally, a consumer protection law had to be drafted.<sup>29</sup>

The above issues were designed to ease the transition from the centralised state economy to the western market economy, but, as realised by staff at the Lithuanian Ministry of Economics, outlining these priorities was far easier than actually implementing their suggestions.<sup>30</sup> The greatest opponent to change proved not to be any political group, but rather it was the Lithuanian psyche, the legacy of 50 years of Soviet occupation. Perhaps the most damaging inheritance left to Lithuania by the Soviet Union, not counting the obvious results of the population dispersal and/or *pogrom* of the 1940s, was the transformation of the entrepreneurial and conscientious Lithuanian into the sheep-like and idle person unwilling to labour for his or her own good or the good of others. This innate selfishness and unwillingness to take a risk which might prove to be either a great success or tremendous mistake is seemingly the result of living in an atmosphere of terror and repression inherent in a totalitarian state.

The desire to comply with the regime in order to survive was a sentiment held by many Lithuanians throughout the occupation. This attitude has been held throughout the course of history, a typical example being in the Netherlands during the period of Nazi occupation during World War II, but whereas the Dutch only had to endure five years of occupation during World War II and were therefore able to return to "normal" quite soon after liberation,<sup>31</sup> after 50 years of Soviet occupation it was inevitable that there would be longer-lasting consequences of the forced acquiescence to the occupying regime.

With privatisation solely by Lithuanians therefore hindered by the presence of this psychological ghost, it was necessary and indeed encouraged by the Landsbergis and Brazauskas governments for enterprises requiring privatisation to appeal for foreign investment. In 1991 the attraction of the hard currency that would



accompany such investment was an added bonus. The Ministry of Economics drew up a list of enterprises that would be available for hard currency-privatisation only. These included those enterprises relating to the manufacture of food products and beverages, textiles, clothing and footwear, rubber and plastic products, bricks and concrete products, metal products and general hardware, computing machinery and electrical appliances including televisions and radios. Printing activities, wholesale trade, hotels and restaurants, cinemas, textile dyeing, clothing repair plants, film developers, hairdressers and funeral parlours were also available for hard currency.<sup>32</sup>

Joint ventures with foreign partners, foreign capital re-investment into Lithuania's national economy and the utilisation of foreign capital credits were targeted in 1991 as being some of the most effective methods of attracting foreign investment to Lithuania. Landsbergis and his government realised the importance of political stability in attracting foreign investment, though in a time of such dramatic economic transition, it was accepted that this would be quite difficult to achieve and maintain. As a preliminary move, the government of Lithuania highlighted specific areas where foreign capital would be most welcomed. The environment, energy, transport and communications sectors were all earmarked as areas where foreign investment, either by outright acquisition or in the form of a joint venture, would be appreciated. Tourism, manufacturing, textiles and the food-processing industry were also highlighted. By 1994, however, priorities had shifted slightly. The Brazauskas government recognised the need for "significant capital injections" of hard currency in a number of Lithuania's enterprises to ease what had turned into a "critical financial state."<sup>33</sup>

The Brazauskas government firmly believed in 1994 that the most profitable investments, both for Lithuania and the party making the investment, could be made in industries with an access to local raw materials or in industries which had a long-term tradition of manufacturing, especially in light industry, the food and food-processing industries, in building materials and timber-related products, as well as in the chemical, petro-chemical and pharmaceutical industries. Investment in machine building, especially tractors and equipment for forestry needs, and in the production of metal-working equipment were also considered priorities by 1994. To ease the critical situation in Lithuania's agricultural sector "significant capital injections"<sup>34</sup> were required for the purchase of seeds, fertilisers, necessary pesticides and fodder.

These were more basic industries than had been indicated by Landsbergis in 1991, who optimistically wanted great emphasis placed on investment in the communications and tourist sectors. Some progress had been made in the communications sector, most notably the establishment of Lithuanian Air Lines,<sup>35</sup> while tourism, although increasing, was perceived as being of secondary importance to the reconstruction of the more essential secondary industries needed to regenerate Lithuania's economy. It was only following the election of Brazauskas in 1992 that foreign advisers and consultants were really able to start working on



assisting foreign investment truly effectively in Lithuania, as the more idealistic Landsbergis had been prepared to neglect these offers of advice and assistance and thus ignored some of the most pressing issues which needed to be faced in the early years of Lithuania's rebirth.

By 11 January 1994, in the second year of Brazauskas' government, 55,000 private firms, along with 19,000 shareholding companies, had been privatised in Lithuania. Of these, 2,900 were joint ventures and 600 were wholly foreign-owned, setting the precedent for further foreign investment in Lithuania.<sup>36</sup> Both the Landsbergis and Brazauskas governments were committed to the attraction of foreign capital and investments for Lithuania. Therefore special incentives were developed to attract an even greater foreign presence. Joint ventures and foreign capital enterprises in Lithuania were awarded tax deductions and the repatriation of dividends and profits amassed by foreign owners were tax-exempt. The Law on Foreign Investment in Lithuania was drafted with the specific purpose of encouraging future investment: one of its most important clauses was the right for a venture or foreign capital enterprise to lease land for a 99-year period, along with a priority right to extend the term of the lease after its expiration.<sup>37</sup>

As a further attempt to attract foreign investment and increase Lithuania's reserves of western "hard" currency, a special privatisation process of enterprises for "hard" currency only was started in August 1992. It was co-ordinated by the Division of State Property Management Methodology within the Ministry of Economics Department of Privatisation. There were no financial quotas imposed on either foreign investors or Lithuanian nationals paying in "hard" currency, unlike those paying in Talonai or Litu. Foreign investors willing to acquire companies using "hard" currency were given an extra incentive by the passing of the Law on Foreign Investments, which stated that no additional permits would be required for future investment in Lithuania.

Arrangements for payment were made with Vytis Bankas in Lithuania, the Park Avenue branch of Citibank in New York City for US dollar investment and with the Eschborn branch of Deutschebank in Germany for transactions made in DM.<sup>38</sup> In an attempt to simplify the hard currency privatisation process, the Ministry of Economics compiled a list of the entities available for hard currency privatisation. Its aim was to ease the regulation and monitoring of the companies as well as to ease the process of calculating main economic indicators.<sup>39</sup>

Privatisation of state property for "hard" currency occurred through state auctions and by the submission of written tenders. In order to bid for an enterprise, a registration fee of US\$50 was required, as well as an initial contribution amounting to 10 percent of the original sale price, also paid in US dollars. Registration for such an auction had to occur at least 24 hours before the date and at registration, documents, including identification, a bank credit note as well as other bank details required presentation. The successful purchase of an enterprise in Lithuania was bound to complete the payment for it within a five-year period. Interest rates on the purchase ranged from five percent after the first three years to



7 percent on the fifth year. The property transfer was to be certified by an official contract at the time, followed within five days by the official certificate of ownership rights issued by the Privatisation Commission. By January 1994, 28 specifically-earmarked "hard" currency only enterprises had been sold at auction for a total price of US dollar4 million.<sup>40</sup>

Privatisation by written tender, however, was to follow a different procedure. The reports of the Central Privatisation Commission regarding the privatisation of individual enterprises were published in the Privatisation Information Bulletin<sup>41</sup> in both Lithuanian and English, which during the 1991-1994 period was gradually being accepted as being the language of international commerce. This bulletin was also to appear in Lithuania's national newspapers and in the international financial press. Written applications to tender had to be submitted to the Ministry of Economics Privatisation Department and had to enclose a non-refundable cheque for US dollar250 payable to the Ministry of Economics if in Lithuania or to the Finance Ministry if payment was to be made outside Lithuania.

When competing offers for tender were submitted, all of the proposals were sent from the Central Privatisation Commission to the specially established Tender Commission. The Tender Commission was granted 15 days to examine the proposals before submitting its analysis of all of them back to the Central Privatisation Commission. It was the Central Privatisation Commission, however, which on the basis of these judgements had the direct responsibility for selecting the victorious offer.<sup>42</sup>

The most widely-publicised sale of a private enterprise by tender was the Klaipeda Tobacco Company, sold to the international tobacco magnate Philip Morris in May 1993. The acquisition of a 65 percent share of the Klaipeda Tobacco Company was the first successful privatisation of this kind anywhere in the former USSR.<sup>43</sup>

Philip Morris' acquisition of the Klaipeda Tobacco Company was a ground-breaking step for large-scale foreign investment in Lithuania. The relative ease with which the move was accomplished gave confidence to other large-scale investors. Largely on the strength of the success of the Philip Morris deal, Kraft Jacob Suchard invested heavily in Kaunas Confectionary, marking the start of large-scale foreign investment by companies such as the Swedish-Swiss conglomerate Asea Brown Bovary (ABB).

What was revealed in both the Philip Morris acquisition of Klaipeda Tobacco Company and Kraft Jacob Suchard's takeover of Kaunas Confectionary was the need for western advisers to assist in the government in dealing with the complex mechanism of privatisation and foreign investment. Between 1991 and 1994, a number of western consultancies began to take an active interest in Lithuania and in the transformation of its economy. Assistance was to come from private companies and international organisations. These included Arthur Andersen, Coopers & Lybrand, KPMG Peat Marwick, McKenna & Co., Courtaulds and Rothschild & Sons. Most active were EU organisations, especially the PHARE



Programme and the European Bank for Reconstruction and Development (EBRD), the World Bank, International Monetary Fund and the US government Agency for International Development (AID) office. Examples of the work undertaken by the international consultancy firms were most clearly reflected in the takeover of Klaipeda Tobacco Company. Rothschilds, however, worked more closely with the Lithuanian Finance Ministry, advising the new Central Bank of Lithuania how to deal with the gold reserves which dated back to before the Soviet occupation and had been held by the Bank of England until its restoration to Lithuania in 1992.<sup>44</sup>

The EBRD was only active in Lithuania from 1993. As well as working with other companies and agencies by sponsoring development programmes, it provided individual assistance to the Lithuanian government. On 4 November 1993, it was publicly announced that the EBRD and the Lithuanian government were to jointly establish an investment bank in Lithuania. The EBRD was to hold 35 percent of the shares and the government the remaining 65 percent. The new bank's fixed assets reportedly totalled ECU5 million, with the principal source of the credit resources being the North Investment Bank (NIB). According to the then vice president of NIB, Ulf Hindstrom, its goal was to grant long-term credits to the quickly increasing private sector of the Lithuanian economy. The World Bank provided a similar service to the Lithuanian government during the same period: in 1992 a US dollar60 million credit was granted to the government.<sup>45</sup>

Relations with the IMF, which were of great importance to the Lithuanian government, were fairly precarious during the 1991-1994 period. The agency and the government tended to clash over economic requirements, which created an air of crisis during many of their dealings. In 1992 the IMF and the government of Lithuania had collaborated in the drafting of a memorandum which covered the necessary changes that would have to be made to the structure of Lithuania's economy. The memorandum stressed the need for tight monetary control to seed up the introduction of the Litas, but the government was engaged in increasing salaries and benefits to compensate for rising inflation. In 1993 Prime Minister Adolfas Šleževičius had set the increase in salaries and benefits as being 40 percent. Under pressure from the IMF, however, he was forced to reduce this in May 1993 to between 10-15 percent. These pay and benefit increases had to be paid from the Lithuanian state budget, rather than from the IMF loans. Salary increases for teachers and health workers, however, were to be above the recommended rate of increase at 30 and 20 percent, respectively. Other state employees were to receive only 10 percent salary increases during 1993.<sup>46</sup>

The favourable reaction to Lithuania's policy by the IMF led to an improvement in relations, cemented in the awarding of a US dollar40 million loan in October 1993, with a further US dollar60 million being made available throughout 1994. On 11 April 1994, Lithuania was able to draw an additional US dollar36 million from the IMF. This provided badly needed supplies of hard currency for the Lithuanian government to enable the continuation of the programme of privatisation.<sup>47</sup>

Economic aid from the government of the USA was far more wide-ranging than



any of the individual organisations offering assistance to Lithuania between 1991 and 1994. It was co-ordinated through the AID office created in response to the demand from and with the intention of attracting support from the substantial Lithuanian community in the USA. "The United States [was] committed to helping Lithuania help itself through the difficult economic reforms [then] underway. The USA supported Lithuanian efforts to move to an economy characterised by market forces and private ownership."<sup>48</sup>

US economic assistance to Lithuania during this period took into account the all-too-apparent fact that whether desired or not by the Lithuanian people, Lithuania was still tied to its past as a part of the former USSR. Thus the assistance strategy proposed by the USA took into account not only the activities of other donors, such as EU; the most pressing need for immediate assistance; the priorities outlined by the Lithuanian government; but also the effect of policy implementation on post-Soviet Lithuanians.<sup>49</sup>

With economic reform in Lithuania being concentrated on the development of a market economy through increased privatisation, (price) liberalisation and export promotion, the US government was committed to assisting Lithuania in achieving its pre-defined objectives, although there was the realisation in Washington D. C., that the resource levels provided (US dollar 10 million per year) were easily dwarfed by the magnitude of the task facing the Lithuanians. The specific function of the AID office was to guarantee that the assistance offered by the USA would be well co-ordinated with the other major assistance donors and would be concentrated in the areas where the USA held a comparative advantage over other donor states. The USA AID office tended to believe that assistance should be for the medium- to long-term, rather than for what tended to be costlier and less-effective short-term relief. Thus the aid programme devised by the US government was one which was flexible enough to adapt rapidly to any new or unanticipated demands in a few specific areas. It was believed that the narrowing-down of the assistance would be vital to the success of the programme.<sup>50</sup>

Working in tandem with the Lithuanian government, the US government identified specific areas where, it was believed, it held the necessary advantage over other donor states, in particular Denmark or Germany. In the economic sphere it was the all-important private-sector development which emerged as the focus for US assistance.<sup>51</sup> In all its efforts in all sectors of Lithuanian society, however, it was abundantly clear that the US government stressed the importance of the continuation of a democratically elected government and its accompanying processes. Simultaneously, the US government underlined the importance of its support for nascent democratic institutions as they were to develop between 1991 and 1994.

Although until 1994 the level of US government assistance was to remain fixed at US dollar 10 million, it was estimated that this figure would increase with the start in operation of the Baltic Enterprise Fund. After an analysis of the economic climate in Lithuania at the end of 1994, no termination date for this project was set.



US government concentration on the development of the private sector in Lithuania was the result of previous experiences in other former Soviet and East Bloc states since the collapse of the Warsaw Pact in 1989.<sup>52</sup> This indicated that because the enterprise and financial sectors were so closely intertwined, the necessary restructuring of the banking system had to be undertaken in conjunction with the restructuring of the business sector. Analysts believed that economic productivity would be enhanced by the development of legal and regulatory reforms that would also protect the environment.

Within the financial sector, therefore, the US government devised a strategy that would reshape the banking system in order that it could perform more effectively the services required by a market economy. These included the mobilisation of deposits and the ability to on-lend them to final borrowers. In January 1993 the majority of individuals continued to place their savings in the State Savings Bank, despite the fact that it offered strongly negative interest rates. In mid-1993, two-thirds of all bank assets were controlled by the three state banks: the Savings Bank, the Commercial Bank and the Agricultural Bank, with the remaining one-third divided among 23 commercial banks.<sup>53</sup>

Although by the end of 1993 direct state bank lending to public sector enterprises had been reduced, arrears from state-owned enterprises had become an informal means of financing the economy, which was eroding the effectiveness of credit control by the monetary authorities. The US government perceived this to be a severe problem which could have undermined the success of Lithuania's economic transition and in an attempt to alleviate this, it was recommended that a thorough financial and operational audit of each bank would be needed to determine the degree to which non-performing loans were undermining a bank's solvency and to evaluate the scope for their restructuring, privatisation or liquidation.<sup>54</sup>

US assistance in the financial sector was designed to strengthen the ability of the Central Bank of Lithuania to supervise and regulate commercial banks, to carry out prudent monetary policy and to facilitate international transactions, a concomitant of attracting foreign investment. The aid was also designed to ease the development of the government debt instruments, tax laws and other legal requirements which were necessary to strengthen the development of Lithuania's financial sector. American assistance began to provide for commercial banks with technical skills in bank management, credit analysis, international operations, accounting standards, supervision and the hastening of the development of an improved payments system.<sup>55</sup>

The US government was also able to play a significant role in the promotion of Lithuania's business sector between 1991 and 1994. It focused on the transformation of the business sector from one of state ownership and control to one based on private ownership. The US government's role concentrated on the development of an environment in which new private businesses could develop and/or grow, either as a result of the privatisation of an existing enterprise, or through the creation of entirely new enterprises.



US assistance in the business sector provided some capital through the Baltic Enterprise Fund. The assistance was designed to strengthen enterprises in areas such as accounting, financing, marketing, production and management as well as to be able to provide policy advice on investment issues specifically for the Lithuanian government. The assistance from the US was also drafted in an attempt to strengthen the formulation and implementation of environmental legislation that affected the business sector as well as for the aiding of the Lithuanian government in its further attempts at privatisation beyond 1994.

While the government of the USA chose to provide aid to only a few specific areas, assistance granted to Lithuania under the European Union PHARE programme was far more diverse. The PHARE programme, which started its operations in 1991, was based on a multi-sector approach. Its main emphasis, however, was on assisting the government of Lithuania in the process of transformation from a centralised, planned economy to its desired market economy. A generous amount of support was given to private sector development and to the restructuring of Lithuania's financial institutions.<sup>56</sup>

The provision of support under the PHARE programme was almost exclusively for technical assistance, that is, the supplying of professional manpower, which was generally undertaken through contracts with consultancy companies. Technical assistance and training were the main aims of the programme, reflecting the view held by the European Commission that substantial private assistance in the form of capital aid was not at that time yet appropriate in the private sector, as it was felt that there needed to be a fundamental restructuring of this sector, as well as in the government administration before such injections of capital would prove worthwhile.<sup>57</sup>

Lithuania was to benefit from substantial assistance provided by the Group of 24 (G-24) most industrialised countries and their related financial institutions. The activities of some of these institutions, such as the IMF, EBRD and World Bank, were co-ordinated by the PHARE programme, which supplied the manpower necessary to help these institutions achieve their aims. PHARE's particular role was in employing consultants to prepare projects that were then funded by the aforementioned international financial institutions and/or the G-24.<sup>58</sup>

Requests for financial support from PHARE had to be submitted by a Lithuanian organisation to the Minister of Foreign Affairs who acted as the National Aid Coordinator. If the request amounted to more than ECU50,000, it was subject to competitive tendering, eventually decided upon by the EU. One of the key roles played by the PHARE Programme was that of an aid co-ordination unit. The Lithuanian unit was established in the Ministry of Foreign Affairs in August 1992. The unit was designed to act in an advisory capacity to the Lithuanian government and its overall objective was to ensure that the assistance to Lithuania did not overlap. It also had to assist the government in managing its aid flows. To do so effectively, workers in the unit had to establish an inter-ministerial structure for proposing, evaluating and prioritising projects needing assistance and for taking



decisions on the most effective use of available funds. Part of its work in the Ministry of Foreign Affairs concerned the efficient day-to-day management of assistance to the government, both from the PHARE Programme and from other donors.<sup>59</sup>

One of the greatest successes of the PHARE programme's aid co-ordination unit in Lithuania was the compilation of a Project Database of externally supported activity in Lithuania. Its intention was to clearly demonstrate which areas of the economy had received external assistance and which still required help. The database contained details of completed and ongoing projects, as well as those where financing was still being sought. Breaking down the PHARE programme into sectors: those which were relevant to the development of the Lithuanian economy between 1991 and 1994 were the assistance in the preparation of a public investment programme, assistance to small- and medium-sized enterprises, assistance to investment promotion and assistance to privatisation.

Throughout the 1991-1994 period, the Lithuanian government was keen to increase the level of public investment as part of a strategy for the promotion of economic growth. The PHARE Public Investment Programme (PIP) was created to identify national and cross-sectoral priorities for public investment which had a reasonable economic rate of return. One of the most important functions of the PIP was to ensure that loan funds for public investment were channelled to priority areas and that total borrowing remained within Lithuania's debt-service capability. The PIP unit was established in the Ministry of Economics in June 1993. In the period 1991-1994, however, the usefulness of the PIP was limited as it was operating on a reduced base. By 1993 it was obvious that to function effectively, a significant amount of training would have to be undertaken by PIP staff. This training was completed at the end of 1993 and 1994 was spent in preparing to identify medium-term priorities for investment assistance. In November 1994 the PIP for 1995-1997 was approved by the government. It was to finance 79 public investment projects as well as investments in budgetary organisations and to complete 27 already started projects, mainly in the energy sector.<sup>60</sup>

PHARE's Small-and Medium-sized Enterprise (SME) sector was a vital sector of the programme between 1991 and 1994. Research by the PHARE programme concluded that small business activity in Lithuania grew rapidly between 1991 and 1994. In this period the number of registered enterprises increased by two-thirds to a total of 85,000 (made up of approximately 22,000 share companies and 62,000 personal enterprises and partnerships).<sup>61</sup> To assist Lithuania's economic development, these entrepreneurial tendencies needed a focus in order to create active and growing businesses. By 1994 PHARE's SME division believed that SMEs would dominate the Lithuanian economy for the remainder of the century, as well as continuing this domination in the twenty-first century. These SMEs would provide market-oriented products and services to supply both domestic needs and external requirements. They would, in all probability, become the main source of employment, demanding new skills and offering higher salaries than were



available in 1994.<sup>62</sup>

To assist in this transitory phase of Lithuania's economic development, the PHARE SME Technical Project was launched in 1991. The two main aims of this project were the provision of assistance for the development of a national policy framework to encourage SME growth and to work with existing organisations to create a network of new business advice centres throughout Lithuania to provide active support to individuals and small firms. Between 1992 and 1994 this project was managed by Richard Hindle of the British economic and management consultants Segal Quince Wicksteed Ltd. (SQW). With the collapse of the Warsaw Pact, SQW began operating in other East Bloc states from 1990 and was able to use this experience in Lithuania.<sup>63</sup> SQW worked in close collaboration with the Danish Technological Institute, which was responsible for the training of staff required for the PHARE-sponsored Business Advisory Services.

Since 1970 it had been accepted in both the states of western Europe and in North America, that it was the small firms and self-employment that provided the largest source of employment.<sup>64</sup> Small businesses increased both in number and in importance as they adapted to and stimulated economic growth. Government-designed and sponsored programmes facilitated small business growth and, at a local level, partnerships had been formed between businesses and other organisations to promote economic development and to devise new methods for improving business performance. It was these previous successes which PHARE attempted to replicate in Lithuania.

In 1993 the first Business Advisory Service (BAS) centres were established in Lithuania. These were locally controlled organisations offering business information and counselling services. Their chief feature was the running of short practical training courses and helping firms to draft business proposals. The principal clients of these BASs were SME managers, self-employed persons and those Lithuanians contemplating starting their own business.<sup>65</sup>

The PHARE Programme provided substantial help to the SME sector of the Lithuanian economy. Equipment, business information, including a series of brochures specially designed and written to meet specific Lithuanian needs, a database and assistance in establishing and organising the new BAS centres all came to Lithuania with PHARE assistance. All members of staff had to undergo the Danish-taught training programme, which covered business skills and western-style training techniques. This was an attempt to re-educate the BAS staff, most of whom had originally been educated under the Soviet regime and were hindered by the inevitable decline in professional enthusiasm which was the result of the Soviet occupation.

By 1994, three BAS centres were fully operational: in Kaunas, Lithuania's second city; in Klaipeda, Lithuania's major port and in Alytus, a town in the South of Lithuania, housing one of Lithuania's largest factories, Snaige, a refrigerator-making plant. All three received active support from local Lithuanian organisations, including chambers of commerce, technical colleges and universities. By the end



of 1994 further BAS centres in Vilnius, Panevežys, an industrial town located approximately half way between Vilnius and the Latvian Capital Riga and in Šiauliai, another industrial town in the North of Lithuania, had become operational. The BAS network was therefore able to supply the main centres of Lithuania's population.<sup>66</sup>

The Lithuanian government realised the necessity of establishing a national framework for SME policy. Clear legal guidelines were required to assist SMEs with decisions on investment and business strategy. New government programmes were therefore developed to actively support and enable private business activity. The PHARE project team worked with Ecofin, a firm of local consultants and with the Entrepreneurship Division of the Ministry of Economics to assess the economic environment for SMEs and to identify what particular changes in the regulatory, tax and policy framework could held small business development.

They also worked at identifying possible new initiatives, such as encouraging small business development associated with educational and research institutes, and in supporting innovation in SMEs and supervising the required transfer of technology to them from western states. The PHARE project team was also required to consider what organisational capability and mechanisms were needed to facilitate the promotion and development of SMEs in Lithuania. These activities were designed to supplement the work already being undertaken by the project team in 1993, which involved the hosting of seminars and workshops for government officials, businessmen, researchers and bankers. The workshops aimed to provide a forum for the sharing of information, the stimulation of discussion and the development of ideas for new initiatives.<sup>67</sup>

PHARE also financed the establishment of a special SME Credit Line, through which new companies were able to receive loans at a manageable rate of interest, in order to start up or expand existing businesses. The loans were received by the Bank of Lithuania and then lent to specific commercial banks, which in turn lent these to businesses. PHARE provided assistance in creating and managing the Bank of Lithuania's credit system as well as in the field of business plan appraisal.<sup>68</sup>

By the end of 1994, the PHARE-supported Euro Information Correspondence Centre had become functional. It was designed to assist local businesses in obtaining information on legal and statistical questions relating to the European Union and its member states. The centre was designed to disseminate information from prospective business partners from within the EU as well as to disperse information on Lithuania and Lithuanian firms among European states.

The PHARE SME initiative was to be one of the most productive of all EU-sponsored projects for assisting Lithuania's transition to a market economy. With increased investment being such a vital part of this, however, PHARE project co-ordinators decided to launch a specific programme of assistance to investment. Since 1992 the PHARE programme was able to provide Lithuanians with assistance in exploring ways in which foreign investors could be drawn to Lithuania. The assistance culminated in 1993 in a recommendation by the PHARE Programme to



establish the Lithuanian Investment Promotion Agency (LIPA), which came into being in October of that year as an autonomous organisation supervised by a formal Board drawn from both the public and private sectors of Lithuanian industry.<sup>69</sup>

The agency was supported throughout 1994 by a PHARE-appointed permanent technical adviser and had a broad mandate to promote investment in Lithuania. One of its most important tasks was that of image building: the promotion and publicising the reputation of Lithuania as a location for foreign investment and for the promotion of investment opportunities. The abiding legacy of the Soviet occupation, however, meant that the Lithuanians themselves were often more of a hindrance than a help regarding image promotion.<sup>70</sup>

LIPA's other tasks related to the generation of investment by the use of marketing directed at specific target sectors in selected foreign countries and the provision of investment services. These services included the supplying of reliable information on the business environment in Lithuania and any specific information required to make an investment decision. A role which was novel to LIPA, or, indeed any other newly-created Lithuanian agency, was that of providing policy feedback, which had been of no importance under the Soviet regime. PHARE suggested that LIPA should make proposals to the government based on the experience of contact with foreign investors, for improving investment policy, regulations and the requisite legal framework.

The key area of Lithuania's economic transition, as already indicated, was that of privatisation which dominated all aspects of Lithuania's economic life between 1991 and 1994. PHARE only became active in Lithuania and indeed in all three Baltic States, following a meeting in 1993 when the EU and the governments of Lithuania, Latvia and Estonia signed a Framework Agreement For Privatisation Assistance in the Baltic States. As of July 1993, PHARE finally became fully operational in the Baltic.

The main area of concern was that which covered strategies and methodologies for privatisation. A review of domestic privatisation was presented in October 1993. This contained recommendations on the rationalisation of legislation, the simplification of institutional structures, the limitation of preferential treatment for employees, the establishment of a state holding company and the development of capital markets. PHARE helped to establish the Best Business Plan methodology to prepare for the adoption, in due course, of a multi-enterprise approach, offering groups of enterprises for sale as a definite group, instead of individually.<sup>71</sup>

PHARE consultants were also required to work with the Ministry of Economics on the institutional and legal framework in Lithuania: reviewing laws on the initial privatisation of state property and the subsequent administration and management of privatisation. The PHARE team recommended the establishment of a state property fund to own and manage all state property awaiting privatisation and the establishment of a Privatisation Agency to be responsible for implementing privatisation. At the end of 1993, PHARE agreed to assist the government in the field of communications training and in forming a government information service



to handle queries regarding future privatisation. This field, although commendable for its intentions, was only to be of minimal use by the end of 1994, as many disputes regarding the privatisation of Soviet-confiscated land had yet to be resolved, with frequent changes in legislation covering these issues causing inevitable delays and increased confusion.

The third area of privatisation assistance on which PHARE concentrated during the 1993-1994 term was that concerning specific enterprises and transactions, where PHARE staff worked on identifying and assessing likely candidates for privatisation as well as in the preparation and negotiation of transactions. This team of advisers also assisted the Ministry of Agriculture with an evaluation of the sugar industry in Lithuania.<sup>72</sup>

The work of the PHARE programme between 1991 and 1994 should by no means be underestimated. Of all overseas donors, PHARE provided the most comprehensive assistance to Lithuania during this period, covering all sectors of society and not just the economy. The programmes' success, however, were adversely affected by the social and political climate in Lithuania during this time: well-meant intentions were hindered by less than enthusiastic attitudes towards change, attitudes which were held by a growing number of Lithuanians intent on resisting the alterations to a general way of life that were being suggested by western organisations and countries.

One of the most fundamental changes to both the Lithuanian economy and society was the introduction of Lithuania's foreign trading capability. New markets had to be sought and specific Lithuanian products targeted for export. It was felt that union with the other two Baltic States would improve Lithuania's chances of competing in the international market and as an accompaniment to this, a free trade agreement was signed with Latvia and Estonia in February 1994. The search for viable new markets for Lithuanian products was to direct Lithuania back to its former associates in the USSR, as it was these markets which were most in need of whatever Lithuania could export. Landsbergis, however, stubbornly refused to accept this, which hindered Lithuania's economic growth in the first years after the restitution of independence. Brazauskas, however, with a great deal of past experience in dealing with these markets, accepted the need for Lithuania to tailor her trading policies to meet this demand, however emotionally or psychologically unpopular this move would be for the Lithuania people.

The effects of change coupled with the effects of resistance to change may best be shown by an examination of Lithuania's performance in the four years under review. To do so accurately, it is advisable to divide the period into two distinct blocks: the first covering the life of the Landsbergis administration, in power until the end of 1992, the second covering the period of the first two years of the Brazauskas administration. Despite the great steps made in restoring Lithuania's currency, restructuring the banking system, launching the process of privatisation and being funded by a variety of foreign aid organisations, by the end of December 1992, the economic situation in Lithuania had deteriorated to an extent undreamed



of even during 1991, which had been, in comparison with 1992, a period of increasing economic growth. This was mostly the result of the sudden fracturing of ties with the Russian Federation and many of the other former Soviet republics along with the gradual removal of the Ruble from circulation in Lithuania. Also responsible was the forced disassembling of the old economic system, coupled with the attempt to replace it instantaneously with a market economy of the type not seen in Lithuania since before the start of the Soviet occupation.

The gravity of the economic situation at the end of 1992 was reflected in most areas of Lithuania's industrial sector. In comparable prices, industrial production for the period January-November 1992 was only 48.8 percent of the production for the same period in 1991.<sup>73</sup> Productivity amounted to only 53.4 percent worth of the previous year's output, while production of fertilisers, sugar, synthetic fabrics, cellulose, paper, cement, bicycles, hi-fi equipment, tinned fish and other fish products, mixed feed and the all-important refrigerators<sup>74</sup> all decreased by over 40 percent in 1992.<sup>75</sup>

During the same period, the construction industry reflected this trend with 31 percent less work completed than during the same timeframe in 1991. Contributing to this, however, was the sudden awareness affecting the Lithuanian people, who had begun to construct (lavish) private houses from 1991 onwards, that not only would the materials needed in their construction require payment for, but that the houses themselves, upon completion, would cost more than many Lithuanians were prepared to pay for insulation and other basic utilities. By 1992, therefore, many half-built houses were scattered throughout Lithuania. This was to continue in 1993-1994 as in a reaction to living in such cramped surroundings during the Soviet occupation, many Lithuanians designed and started to build luxurious properties without much thought given to the day-to-day realities.<sup>76</sup>

With the fall in general production, transport by road and rail shrank by 40 percent when compared with the months between January-November 1991. The deficiencies in the Lithuanian economy at the end of 1992, however, were even more apparent when compared with the situation at the end of 1989, when Lithuania was still a Soviet republic: for the January and November period, general production had decreased by 60 percent, industrial production by 55 percent and agriculture by 34 percent.<sup>77</sup>

These difficulties faced by Lithuania were to have a detrimental effect on the employment sector. On 3 December 1992, 79,000 individual enterprises were registered, of which 71,000 were entirely active. These employed approximately 1.9 million people (75 percent in the state sector and 25 percent in the private sector). Compared with 1991, the number of workers in the private sector had increased 1.6 times, but more than 210,000 employees in all sectors of industry and construction were forced by the end of 1992 to work "short" two or three day weeks and/or take unpaid leave.<sup>78</sup>

Lithuanian companies were affected more than had been originally thought by the breakdown in relations with the USSR (although many were reluctant to admit



this, given the depth of hostile feelings toward the USSR). The removal of Lithuania from the Ruble economy contributed to the breakdown in settlement of accounts between many Lithuanian and CIS companies, with an estimated loss of 15 billion Talonai. Inflation during 1992 was to further afflict the Lithuanian economic and industrial sectors, reaching close to 900 percent, compared with average salaries which rose by only 400 percent, thus in effect halving the income of the average worker.

This led to an overall decline in the standard of living, with household income dropping by around 55 percent at the end of 1992 when compared with 1991. In October 1992 food accounted for 51 percent of necessary household expenditure, whereas non-food spending made up 25 percent. In October 1991, however, food had only accounted for 31 percent of necessary expenditure, whereas non-food items had taken up 38 percent of a household budget. But as food prices were forced upwards, average consumption decreased. Potatoes, the staple of the Lithuanian diet, decreased from the consumption of 128kg/capita in 1991 to 95kg/capita in 1992. Fish (another staple) consumption also decreased from 19.2kg/capita to 10.5kg/capita. The consumption of meat products, eggs, sugar, vegetables and fruits and berries also decreased by significant amounts during the year.<sup>79</sup>

Lithuania's entire industrial sector was to suffer the effects of economic transition. From Lithuania's heavy chemical production, machine building and mining enterprises to the timber, electrical, fabric and food producers, both output and the resulting Gross Domestic Product (GDP) fluctuated in the first years of independence, which echoed the fluctuating fortunes of the Lithuanian people.<sup>80</sup>

Economic reform in Lithuania was subject to particular characteristics which separated it from economic reform in other central and eastern European states. Key to this was the fact that until 1 October 1992, Lithuania was forced to use a foreign currency, the Russian Ruble, which had ever-decreasing value in the international arena. Second, Lithuania had to completely transform her economy, not only into a market economy, but into one of a totally independent state from one which only a small part of a much larger Soviet-wide economy. The delay in separating from the Ruble caused Lithuania to become entangled in the inflationary processes caused as a result of the continuing fall in value of the Ruble in Russia, and therefore incapable of pursuing a strict anti-inflation policy. Lithuania's inflation was further affected during 1991-1994 by the constantly increasing prices of imports from the former USSR, especially in the energy sector, as well as by the decrease in the manufacturing sector. The forecast of continually rising inflation was sufficient to have a negative effect on the accumulation of capital and further investment.

The Brazauskas government acknowledged that the economic reforms implemented in 1991-1992 were of some benefit to Lithuania, especially the increase in wages and prices in 1991 to reflect foreign economic conditions, the refusal to set prices, the hasty privatisation of state housing and a non-deficit state



budget. In carrying out these reforms, however, mistakes, that could perhaps have been avoided, were made, resulting in increasing economic decline. Perhaps most important was the delay in introducing the temporary currency, which if it had been done at the end of 1991, when prices were liberalised, would have acted as an effective anti-inflation measure. Coupled with this was the fact that there was not even a partial safeguarding from inflation of deposits made in Lithuanian savings banks during 1991-1992.<sup>81</sup>

In general, economic reform between 1991 and 1992 was carried out with insufficient consistency and resolution. The reform of the Lithuanian economy was mostly uncoordinated: when the Talonas was introduced, a labour and capital market should also have been created at the same time. Many state enterprises failed to orient themselves towards investment or increased manufacturing capability. Profits were used for day-to-day expenses and in saving jobs, as managers expected unending government subsidies to assist them. Perhaps the key problem facing the newly-elected government at the start of 1993 was the need to increase the efficiency of state-owned enterprises while at the same time having to understand the transition to a market economy, and with it the bringing about of effective privatisation, was a slow, evolutionary process.<sup>82</sup>

From 1993, it is possible to see that there was a distinct shift in attitudes regarding the performance of Lithuania's economy. On election, the Brazauskas administration attempted to stabilise the economic situation: to stop the manufacturing decline and to reduce inflation. The government perceived its reform programme as developing along three parallel lines: the formation of competitive structures for active market participation, the creation of a favourable economic climate to enable market entities to function and a refinement of the social security system.<sup>83</sup>

The foundation of economic structures was to be achieved by the government's promotion of various forms of privatisation for state enterprises, the amelioration of some of the existing restrictions, or their actual abolition. The aim of the government was to encourage the belief that the most important aim of privatisation was the increase in manufacturing capability as well as to create the best possible environment for those potential investors in private businesses or shares. To do so, policy-makers targeted various forms of credit, the increase in renting and the possible buying-out of rented property and added the incentive of a decrease in the tax on profits if allocated to future investment.<sup>84</sup>

SMEs, as already indicated, were given as much encouragement as possible by the government, acting on the advice of PHARE consultants. The government therefore attempted to improve the legal bases fundamental for encouraging private businesses and stimulating the creation of favourable conditions for economic growth, especially in the early stages of development.<sup>85</sup>

By 1994, there were indeed some small-scale trade projects in operation between Lithuanian SMEs and their western counterparts. One of the most successful during this period was the project between the joint-stock company



Audejas in Vilnius and The Bryan Group in North Carolina, USA. Managing Director James Bryan of the furniture upholstery company had already examined potential investments and trading projects in Latvia and Estonia in 1992-1993 but had become disheartened by the corruption and lack of professionalism which had led to his withdrawal from an Estonian project with a mill in Medveni: the amount of bribes and kickbacks made it an unprofitable project. In Latvia, he encountered the bureaucratic and initiative-lacking mentality of post-Soviet Lithuanians when dealing with trade ministers, who failed to understand the basic laws of supply and demand and consequently believed that The Bryan Group was trying to take advantage of their companies.<sup>86</sup>

Then, through an emigre who had interpreted for the Lithuanian company Audejas in 1993, James Bryan was introduced to the president of the company, Jonas Kerabačis. After a series of meetings in 1994, the first contract to supply high-quality linen-based upholstery fabric to a consortium of North Carolina furniture makers was signed on 5 February 1995. Audejas was one of the SME successes during the 1991-1994 period. Bryan was extremely impressed at the professionalism of the staff and their willingness to adapt their products to suit western market tastes.<sup>87</sup> Their true desire to export to the West was reflected in their punctuality, reliability and commitment to high quality. Staff even learned English, to be able to better communicate with their American partners.

By 1996 it was envisaged that Audejas would be exporting up to six 40-foot containers, each of which would hold 18,000 metres of fabric. This fabric would retail in the US for US dollar70 per yard, which was US dollar2 below standard market price, giving a 20 percent price advantage: highly attractive to the western manufacturer.<sup>88</sup> The trading relationship was further expanded at the end of 1994 when Audejas and The Bryan Group were joined in partnership by the Swedish company A. G. Nelstrom, distributor of textile machinery bought by Audejas and other Lithuanian textile firms, thus expanding Audejas' market to Scandinavia.<sup>89</sup> Other textile companies were also to benefit from trade with the West, but few as successfully or as efficiently as Audejas.

Of greatest concern to the government between 1992 and 1994, however, was the poor efficiency of many of the still-unprivatised state-owned enterprises. In 1992 the state sector was still the dominant employer, with 58.1 percent of all Lithuanian employees (although this was to decrease to 46.7 percent in 1993).<sup>90</sup> It was these enterprises which to a great extent determined the functioning of Lithuania's manufacturing capability. From 1993, the government worked on the strengthening of anti-monopoly controls and supervision, and targeted stricter governmental regulatory means, especially price controls.<sup>91</sup>

The second of the government's intentions regarding the economy during this period was the creation of a favourable economic climate. The Ministry of Economics concentrated on the expansion of free prices (with the exception of the monopoly producers), the limiting of the issuing of money into circulation and refining the system of taxation: not stifling the activity of Lithuania's



manufacturers, but at the same time providing the state with a sufficient income. The government recognised the importance of the need for a securities market to encourage the distribution of capital and such a market began operating in the spring of 1993.

By the end of 1994, however, it was apparent that despite all the efforts made by the government on behalf of the economy, Lithuania was suffering the effects of the transition phase in its economic development. Manufacturing production was down to 24.9 percent of its 1991 total and was employing only 66.6 percent of its 1991 staff. Average minimum monthly earnings were only US dollar8 and the number of unemployed had risen to over 30,000 from 4,600 in 1991, with those persons actively job-seeking up to 81,000 from 5,200 in 1991.<sup>92</sup> By 1994, every second worker in the industrial sector was not working at full capacity and industry as a whole only functioned at half capacity.<sup>93</sup> This was partly inevitable because of the difficulties being encountered in the drastic transition from a planned to a market economy coupled with the inevitable problems arising from fuel dependency on the Russian Federation,<sup>94</sup> but also because of some outstanding and previously unconsidered elements that were to heavily influence Lithuania's reconstruction between 1991 and 1994.

Affecting Lithuania's development during this time, in particular in relation to economic issues, was reform of the agricultural sector and in particular the question of land restitution. Prior to the Soviet occupation and subsequent annexation of Lithuania, she had possessed a well-developed network of small farms and medium-sized holdings which had worked the land and agricultural production was Lithuania's main source of income.<sup>95</sup> After 1940 the farms were grouped into collectives (*kolkhoz*) and taken over by the state.<sup>96</sup> During the period of the Soviet Occupation, Lithuania's agriculture and, in particular, food processing sectors played a key role in the Soviet economy. The USSR provided the necessary market for Lithuania's agricultural produce. Approximately one-third of meat production and at least 40 percent of milk production as well as fish and leather products were exported to Russia and the other Soviet Republics.<sup>97</sup>

The restitution of Lithuania's independence, however, led to a significant decrease in both agricultural production and the revenues earned from it. Nonetheless, in 1993 agriculture still contributed 11 percent of Lithuania's GDP and employed over 22 percent of the population and of the three Baltic States, it was Lithuania which placed the most emphasis on the agriculture industry.<sup>98</sup> In the arable sector, the main crops were cereals (barley, wheat and rye), the bulk of which were used as animal feeds; potatoes and sugar beet. Prior to the Soviet occupation, livestock production had been the most important sector of Lithuanian agriculture. This continued throughout the occupation, but upon the restitution of independence this sector declined rapidly as Lithuania was reliant on imports of animal feed from Russia and domestic purchasing power dropped.

In the inter-war years, Lithuania's second most important sector in agriculture was the food-processing industry (abattoirs, meat processing plants, dairies and



mills). This remained important during the period of occupation, but few of the facilities were modernised sufficiently. Thus on achieving the restitution of independence, Lithuania was prevented from exploiting this sector of her industry for western trade purposes by the fact that none of the plants met EU standards. Therefore Lithuania was forced to rely on former Soviet Republics as a market and privatisation of sector was extremely slow during the first years of independence. Also suffering from the slow pace of privatisation was seed and fertilizer production and its distribution as it was still both expensive and monopolised. Lithuania's agricultural sector was also hampered by the lack of suitable machinery: many smaller farms were still, by 1994, unmechanised and the large Soviet-built tractors and other farm machinery were ill suited to the small private farms which had been established after independence.<sup>99</sup>

By 1994, the total budget for agriculture amounted to US\$53 million from a total budget of US\$1.01 billion.<sup>100</sup> In an attempt to alleviate the worsening economic situation caused by the reduction in size of the individual sectors and loss of markets, the Farmers' Support Fund was established by the government in 1994 to provide credits for investment in Lithuania's rural infrastructure.

The modernisation of Lithuania's agriculture sector, however, could not be funded entirely from the government's budget. Lithuania became extremely reliant on the EU PHARE programme for subsidies for agriculture reconstruction. Although there was no specific sectoral PHARE programme for agriculture, assistance came in the form of General Technical Assistance Facilities (GTAF). From 1991, assistance came in the form of economic analysis support for the development of fisheries strategies and reforms; for improving winter wheat production and restructuring the hothouse sector; the restructuring and privatising of agro-processing industry; agricultural extension; livestock efficiency and trade promotion and information.<sup>101</sup>

Agricultural reform was impeded, however, by the complex processes of privatisation which were to dominate agricultural affairs following the restitution of independence. The principal difficulty with privatisation of agricultural property, as with all property in Lithuania, was the fact that so much of it had been confiscated by the Soviet authorities during the occupation. The process of restitution of land to its inter-war owners began in 1991, but because privatisation of the land itself had already begun in 1989, the claims for the restitution of property far exceeded the acreage available. It was therefore necessary for the Landsbergis government to introduce a compensation scheme: either the land itself, equivalent acreage elsewhere in the form of either agricultural land, forest or house construction sites or monetary compensation.

But of the 450,000 claims for land restitution made between 1991 and 1994, by December 1994 over 300,000 of these claims were still outstanding and some of those few which had been settled were, in fact, totally contradictory to those claims still awaiting settlement. This was not the only significant obstacle to land reform: it proved extremely difficult to assess property boundaries as the majority of



claimants no longer possessed title deeds to their property. A further blow to former owners was that only US\$1.3 million was made available as monetary compensation for land: many claimants believed that they would receive far less than the land was actually worth and therefore refrained from reclaiming the property.<sup>102</sup>

In an attempt to ease the land reform situation and encourage the restitution of property, the governments in the years 1991-1994 frequently changed the procedure regarding the restitution of property. This action served only to further complicate and delay the process as increasing numbers of claimants became reluctant to settle for the proposed compensation in the belief that the following months would see a radical change in policy. As a result, restitution of property slowed to such an extent that an effective land market, vital for such an agriculture-based state, was unable to develop. Foreign investment in agriculture was sorely hindered, which contributed to Lithuania's slow economic growth in the first years of independence. This was not only the case in agricultural land. All pre-occupation property was affected by the governments' failure to produce a fully comprehensive property restitution policy. Therefore foreign investment in factories and other structures and enterprises became a hazardous venture as many foreign companies were unwilling to fund an enterprise that could be made useless with a change in the land reform laws and were thus deterred from doing so.<sup>103</sup>

One of the greatest impediments to the successful transformation of the Lithuanian economy during the first years of independence, could be seen to be this legacy of the Soviet occupation which had affected all aspects of society. On a superficial level, the occupation had isolated Lithuania from all western business influences. The business environment at the time reflected an amalgamation of old rules and laws, inconsistent with the principles of a market economy, as well as a rapidly evolving series of new and often conflicting legal and regulatory requirements. The poorly-functioning systems acted as a drag on the development and growth of the private sector. These included difficulties regarding company registration and in the securing of legal collateral placed against a loan.<sup>104</sup>

A further hurdle which had to be surmounted by the Lithuanian industry and economy as a whole was the dearth of management talent in all sizes and at all levels in enterprises. Throughout the years 1991-1994, Lithuania continued to rely on management trained according to Soviet methods. Thus businesses continued to be ill-prepared to compete in a global environment. One of the clearest examples of this, even though it was on an extremely small scale, occurred in 1994. A consortium of Lithuanian industrialists participated in an exhibition of developing nations' industry held at Earls Court in London between 9 and 13 May. Information about their attendance was only sent to London on the Wednesday prior to their arrival and no arrangements were made for publicising the Lithuanians' presence among the Lithuanian communities in Britain who would have supported them, or for inviting local Lithuanians or even Embassy officials to the exhibition. The delegates failed to enquire about what facilities would be made available to them:



whether they could obtain booths or tables on which to display their wares. At 3 AM on the morning of the exhibition's opening, the delegates received a few tables and chairs, not sufficient to do justice to the products on display. This was perhaps one of the most obvious examples of the negative effects of Soviet training: the complete reluctance to take any initiative.<sup>105</sup>

This lack of initiative: a sheep-like mentality, was the legacy of the Soviet occupation and made a profound contribution to hindering Lithuania's natural growth over the 1991-1994 period. Any good intentions, such as the investment by a foreign company like the British Pig Improvement Company, were obstructed by this. Deliberate legal blocks or even unpremeditated actions, carried out in the best Soviet style, impeded growth and development. The bureaucracy beloved of Soviet administrators proved to be one of the best methods of preventing change.

Another legacy of the Soviet occupation that was to have an equally pernicious influence on Lithuania's development was the number of "Square Boys," the Lithuanian "mafia" (so-named for their short hair cuts and shoulder-padded suit jackets), which grew rapidly following independence. Unlike the organised crime syndicates of the Italian or American mafia, there were two types of "Square Boys": those who had profited under the Soviet regime (which despite its claim to equality, had always been extremely unequal), and those for whom independence had brought with it the acquisition of consumer goods as well as the adoption of "mafia-esque" business practices in an attempt to become even wealthier. From 1991, as the "Square Boys" gained greater influence, extortion was practised on an ever-increasing scale, with violent attacks on opponents becoming widespread, especially in the cities and large towns.

The conspicuous consumption favoured by the "Square Boys" was pandered to in a country desperate for a source of new markets: for example, a franchise of the top couturier Karl Lagerfeld opened in July 1994 on Gediminas Prospektas, Vilnius' main street, where a man's jacket retailed for several years' salary of the ordinary Lithuanian. The average Lithuanian was sorely angered by the rise of the "Square Boys," but the lack of the existence of a legal code following the abolition of the USSR's constitution in Lithuania, coupled with the mindset triggered by the legacy of the Soviet occupation or just a reluctance to become involved (in the interests of personal safety), had allowed the "Square Boys" to go about their activities largely unchecked.<sup>106</sup>

By the end of 1994, the idealism which had once characterised the Landsbergis government and his years in office had been replaced by the pragmatism and acceptance of reality by Brazauskas and his government. Landsbergis' aim of providing most, if not all, Lithuanians with a western standard of living had proven to be wildly over-ambitious, disregarding the challenges that Lithuania would be forced to face over the coming years. Brazauskas, ever the more realistic and practical of the two presidents during the period under review, realised that Lithuania's transition to a market economy was indeed an evolutionary and lengthy process and during the 1992-1994 years, took active measures to ease Lithuania



gradually along her chosen path. At the same time, as a survivor of the Soviet occupation of Lithuania, he was sufficiently pragmatic to realise the necessity of trying to maintain some ties with the East, rather than rushing headlong into the arms of the West, arms which were not necessarily outstretched or welcoming.

Unpredicted by Lithuanians in the years preceding the restoration of independence was the negative impact on the Lithuanian economy by the creation of the European Union during Lithuania's period of enforced isolation behind the Iron Curtain. Where Lithuania played an active role prior to 1940, such as in the export of dairy and meat products as well as timber and textiles, to states such as the UK, by 1991 these markets were for the most part closed off because of the restrictions imposed by the EU. Therefore new, non-EU markets had to be found by Lithuanian exporters and, out of necessity, these were to be predominantly former Soviet Republics, most notably Russia, Belarus, Ukraine and Kazakhstan.<sup>107</sup>

In common with the other Baltic States, by December 1994 a number of Lithuanians, exhausted by the burdens imposed on them by the process of economic transition and angered by the obvious flaunting of wealth by those who had made the shift to a market economy (albeit often by the use of illegal means), were harking back to the old days of Communism. While memories of the injustice and harshness of that regime had (deliberately) been forgotten, it would probably take several more generations before the legacy of the Soviet occupation, which had permeated Lithuanian society to an undreamed-of extent, would finally be laid to rest. Until that date, every positive move forward made by Lithuanians in the aid of their country's economic development, most notably the re-introduction of the Litas, could be counterbalanced or even driven back by the existing legacy of the old regime.

## Notes

1. Lenin, V. *One Step Forward, Two Steps Back (The Crisis in Our Party)* in *Collected Works, Vol. 7*, Lawrence and Wishart: 1961.

2. Lithuanian Information Institute Lithuanian Survey, 3, 1992.

3. Director of Macro-Economics, Ministry of Economics, Dr. G. Miškinis, interview, 26 June 1994.

4. Privatisation was to continue throughout the first four years of re-independence: by March 1994, 4,432 state enterprises had been privatised. (Source: *Lithuania in the World* Vol. 2, No. 3, 26.)

5. Dr. G. Miškinis, interview, 26 June 1994. This was a feeling that was shared by many ordinary Lithuanians with whom I spoke during the first years of independence. They felt that had the blockade been imposed for a longer period, a greater sense of unity would have emerged within Lithuania, which would have prepared them better for the difficult process of economic reconstruction.

6. Asta Reklaityte, economist for the city of Kaunas. Interview, 19 September 1994. She reflected the sentiments of the majority of Lithuanians.

7. *Lithuania and the World* Vol. 2, No. 1, 14.



8. *Lithuania and the World* Vol. 2, No. 1, 14.
9. *Lithuania and the World* Vol. 2, No. 1, 16.
10. Asta Reklaityte, interview 4 November 1991.
11. Z. Rutkauskiene, niece of the lithuanian chancellor, 1930-1939, interview 29 June 1994.
12. Dr. G. Miškinis, interview, 26 June 1994.
13. Dr. G. Miškinis, interview, 26 June 1994.
14. Ernst and Young and World Link Survey, 1994.
15. Though it should be noted that it was not achieved during the period of the Landsbergis administration.
16. *Lithuania in the World* Vol. 2, No. 2, 17.
17. *Lithuania in the World* Vol. 2, No. 2, 17.
18. *Lithuania in the World* Vol. 2, No. 2, 28.
19. The close relationship which Lithuania was forced to maintain with the CIS states can best be seen by examining trade figures for Lithuania in the year 1993. These are contained in Appendix 2.
20. *Lithuania in the World* Vol. 2, No. 2, 30.
21. *Lithuania in the World* Vol. 2, No. 3, 29.
22. *Lithuania in the World* Vol. 2, No. 3, 29.
23. See Appendix 2 for inflation figures.
24. The Kaunas Holding Bank, for example, opened in 1993 and offered exceptionally high interest rates for a fixed deposit for a set period of time. On the night of 3 June 1995, the bank closed suddenly and all deposits were lost.
25. Members of the government were to be implicated in these activities. In 1996, Prime Minister Adolfas Šleževičius was forced to resign after being implicated in the Akcinis Inovacinis Bank scandal. An account-holder at the bank, it was alleged that he had inside information which led to his withdrawing all his deposits 24 hours before the bank suddenly and without warning, closed in December 1995. There were also numerous allegations of fraud within Lithuania's banking network as some banks with insufficient capital over-lent to friends and colleagues who then failed to meet loan repayment deadlines.
26. Ministry of Economics PR and Protocol Division leaflet 1993.
27. *Lithuanian Survey*, 3, 1992.
28. Kazimiera Janulaitiene, spokeswoman for the Lithuanian Information Institute, interview, 23 June 1994.
29. Jonathan Hargreaves, director: PHARE Programme, interview, 27 June 1994.
30. Dr. G. Miškinis, interview, 26 June 1994.
31. See Huggett, F. *The Modern Netherlands*, Praeger Publishers: 1971, Chapters 14-15.
32. Ministry of Economics PR and Protocol Division leaflet 1991.
33. Dr. G. Miškinis, interview, 26 June 1994.
34. Dr. G. Miškinis, interview, 26 June 1994.
35. See Chapter 4.
36. Ministry of Economics PR and Protocol Division.
37. *Investment Opportunities in the Former USSR* Vol. 1, No. 1.
38. Payments in DM would be made using the average foreign exchange rate of the US dollar against the DM as established by the Frankfurt Stock Exchange at noon on the day before payment.
39. Dr. G. Miškinis, interview, 26 June 1994.
40. Dr. G. Miškinis, interview, 26 June 1994.



41. *Privatisation Information Bulletin* Ministry of Economics, monthly from October 1991.
42. *Privatisation Information Bulletin* Ministry of Economics, monthly from October 1991.
43. See Appendix 1 for a case study on the acquisition of Klaipeda Tobacco Company.
44. John Brimacombe, director, Rothschild & Sons, interview, 14 November 1994.
45. John Brimacombe, director, Rothschild & Sons, interview, 14 November 1994.
46. *Radio Europe News Brief* 27 May 1993.
47. *BBC Summary of World Broadcasts* 14 April 1994.
48. US AID SEED Assistance Act, July 1993, 1.
49. E. J. Ashbourne, country director US AID office, interview, 21 August 1994.
50. E. J. Ashbourne, country director US AID office, interview, 21 August 1994.
51. US AID SEED Assistance Act, 4.
52. The US AID office was active in all of the former Warsaw Pact states.
53. Dr. R. Visokavičius, director, Central Bank of Lithuania, interview, 14 April 1994.
54. Source at Coopers & Lybrand, London, interview, 17 February 1994.
55. US AID SEED Assistance Act, 5.
56. Jonathan Hargreaves, director EU PHARE Programme, interview, 27 June 1994.
57. Jonathan Hargreaves, director EU PHARE Programme, interview, 27 June 1994. In June 1993, however, at the Copenhagen meeting of the European Council, EU member states did decide that a limited amount of funds could be invested in high-priority areas.
58. Deputy Foreign Minister R. Bernotas, interview, 20 June 1994.
59. Deputy Foreign Minister R. Bernotas, interview, 20 June 1994.
60. Nick Maddock, PHARE PIP adviser, interview, 3 October 1994.
61. Richard Hindle, PHARE SME adviser, interview, 15 October 1994.
62. Richard Hindle, PHARE SME adviser, interview, 15 October 1994.
63. Richard Hindle, PHARE SME adviser, interview, 15 October 1994.
64. Andrew Lorenz, deputy business editor *The Sunday Times*, interview, 1 March 1995.
65. Richard Hindle, PHARE SME adviser, interview, 15 October 1994.
66. Richard Hindle, PHARE SME adviser, interview, 15 October 1994.
67. Richard Hindle, PHARE SME adviser, interview, 15 October 1994.
68. Jonathan Hargreaves, interview, 26 June 1994.
69. Bill Sinnerton, PHARE investment promotion adviser, interview, 5 November 1994.
70. Western advisers such as Bill Sinnerton were increasingly infuriated during this period by the mentality which was the legacy of the Soviet occupation. Most objectionable to the western advisers was the lack of reliability of so many Lithuanians, manifested by unpunctuality, disinterest and a lack of commitment to their tasks, all of which had been rampant at that time.
71. Jonathan Hargreaves, interview, 26 June 1994.
72. Jonathan Hargreaves, interview, 26 June 1994.
73. Estonia and Latvia were to fare slightly better with 61.5 percent and 65.6 percent, respectively. Source: Lithuanian Information Institute.
74. Snaige was the main employer in Alytus, and therefore a decrease in productivity had severe repercussions on the whole town.
75. All figures from the Lithuanian Information Institute.
76. Zigmas Brazauskas, architect, interview, 29 June 1994.
77. Statistics from the *Programme of the Brazauskas Government in 1993* Lithuanian Information Institute.



78. Statistics from the *Programme of the Brazauskas Government in 1993* Lithuanian Information Institute.

79. Statistics from the *Programme of the Brazauskas Government in 1993* Lithuanian Information Institute.

80. See Appendix 2 for a breakdown of Gross Domestic Product by Sector.

81. See Appendix 2 for a breakdown of Gross Domestic Product by Sector.

82. A. Reklaityte, interview, 29 June 1994.

83. *Programme of the Brazauskas Government*.

84. Dr. G. Miškinis, interview, 26 June 1994.

85. Richard Hindle, interview, 15 October 1994.

86. James Bryan, managing director, The Bryan Group, interview, 20 August 1995.

87. Audejas designed and wove their own fabrics. During the years of the Soviet occupation, their designs reflected the stagnation of the country: the patterns and colours were those which had been seen in the West in the 1940s and 1950s and were therefore unsaleable in the 1990s, being seen as outdated and old fashioned. With the guidance of staff at The Bryan Group, in 1994 new designs were produced which, in terms of colour and pattern, were highly attractive to western markets.

88. All figures quoted by James Bryan.

89. All figures quoted by James Bryan.

90. Figures from the Lithuanian Information Institute.

91. *Programme of the Brazauskas Government*.

92. Figures from the Lithuanian Information Institute.

93. Dr. G. Miškinis, interview, 26 June 1994.

94. See Chapter 3.

95. See Chapter 1.

96. In 1989 the majority of Lithuania's farmable land was divided into 834 collective farms (average size 2,700ha) and 275 state farms of approximately 3,000ha. Nine percent of the agricultural land was held as household plots, each averaging only 0.5ha. Privatisation of farming had begun slowly in 1989 in accordance with the Law on Peasant Farming, which allowed farm workers to run small farms, but gave them no legal title to the land. Five thousand farms were established under this law, each starting at around 25ha but increasing in size up to approximately 65ha. Source: European Commission *Agricultural Situation and Prospects in the Central and Eastern European Countries: Lithuania*, European Commission: 1995, 9.

97. European Commission *Agricultural Situation and Prospects in the Central and Eastern European Countries: Lithuania*, European Commission: 1995, 31.

98. *Land Use in Lithuania: 1993*.

Total Land Area	6.53 million hectares (mio ha)
Total Agricultural Area	3.52 mio ha
of which:	
Arable	2.31 mio ha
Meadows/Permanent Pasture	1.18 mio ha
Permanent Crops	0.04 mio ha

Source: European Commission *Agricultural Situation and Prospects in the Central and Eastern European Countries: Lithuania*, European Commission: 1995, 8.

99. European Commission *Agricultural Situation and Prospects in the Central and*



*Eastern European Countries: Lithuania*, European Commission: 1995, ix-xi.  
100. Ministry of Industry *Lithuania: Country Profile*, Vilnius: 1996, 5.  
101. *PHARE aid to Lithuania: 1991-1994*

1991	1.5 Million ECU (Mio ECU)
1992	0.6 Mio ECU
1993	5.0 Mio ECU
1994	4.6 Mio ECU

Source: European Commission *Agricultural Situation and Prospects in the Central and Eastern European Countries: Lithuania*, 47-48.  
102. European Commission *Agricultural Situation and Prospects in the Central and Eastern European Countries: Lithuania*, 9-10.  
103. See Appendix 1 for a case study in property restitution.  
104. US SEED Assistance Act, 7.  
105. As witnessed personally.  
106. See Chapter 2 for details of the “Square Boys” activities.  
107. See Appendix 2 for trade figures.



## Conclusion

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*“May the sun of Lithuania banish the darkness . . .  
In the name of that Lithuania may unity flourish.”*

V. Kudirka<sup>1</sup>

In 1991, international recognition of the restitution of Lithuania's independence had been accompanied by senses of anticipation and expectation throughout the Lithuanian diaspora. They hoped that, after breaking free from the USSR, Lithuania could return to the pre-Soviet levels of economic performance and reintegrate into the international community in which she had been an active member prior to the loss of her independence in 1940. This book therefore, was designed to test such a hypothesis and the initial belief was that it would provide an extremely positive analysis of the rebirth of the Lithuanian nation and state. Yet those interested in Lithuania had completely failed to anticipate the dramatic impact of the legacy of the 50 years of Soviet occupation on the reborn country. Accordingly, the hypothesis may be disproved, for after a detailed examination of the essential components of the rebirth of a nation, it is evident that Lithuania has not been able to escape as quickly as had been thought possible from the clutches of the former USSR.

There were, however, some significant achievements in the first four years of full independence which should not be overlooked. By the end of 1994, the mechanisms of democratic government had been reinstated and unlike in the inter-war years, Lithuania did not appear to be heading towards the imposition of an authoritarian and nationalistic regime. Lithuania's government and legislature were installed by the process of free and fair elections; when necessary, her leaders admitted defeat gracefully and campaigned ethically for re-election. After lengthy debate, the Lithuanian state acquired a new, modern constitution to replace that of 1938 and as 1995 approached, there was a functioning judicial system and a



specifically-constructed constitutional court overseeing the maintenance of democracy in the state.

In the international arena, the process of re-integration was also well underway by the end of 1994. Most important, the Ministry of Foreign Affairs had been re-established and, in highly symbolic actions, embassies (re)opened around the world. Lithuania had accepted membership of numerous international organisations, most important the United Nations (UN), and had made clear her commitment to and her intention of joining the European Union (EU), although Lithuanians regarded the Union as both the provider of a security guarantee and a market for her produce and had given little thought to the political consequences of joining and the implications for Lithuania's sovereignty. Both governments in the 1991-1994 period confirmed their determination to achieve the goal of EU membership. The Lithuanian governments also were leading participants in the establishment of organisations, such as the Council of Baltic Sea States, as forums for debating regional rather than global issues.

Landsbergis and Brazauskas made concrete efforts to cultivate relations with other Heads of State. The two leaders were extremely popular in the West, but Landsbergis was less so in the immediate region. As former Communist parties were re-elected in central and eastern Europe, however, Brazauskas was able to associate with them and improve Lithuania's international standing, especially in the case of Poland. The signing of the Lithuanian-Polish Friendship Treaty was another symbolic event in Lithuania's immediate post-Soviet history, given the tradition of animosity between the two nations.

Equally symbolic in the eyes of Lithuanians, though not necessarily in the eyes of westerners, had been Lithuania's re-entry into international events such as the Olympics and other sporting fixtures. Even competitions which were unmitigated disasters for Lithuania, such as the Eurovision Song Contest, were worth entering. From a Lithuanian perspective, wherever there was someone competing or participating as a Lithuanian national, this was a public display of Lithuania's distinct identity, which had been suppressed for so long.

Participation in international events was made possible by the improvement in communication links with the non-Soviet world. In particular, the establishment of Lithuanian Airlines (LAL) in 1991 was a vital step in the process of re-integration. More people were therefore encouraged to visit Lithuania as, especially from Europe, it was an easily reachable destination. In turn, increasing numbers of Lithuanians were able to visit the West and thus links between western states and re-emerging Lithuania could be cemented. The introduction of programmes such as Rotary scholarships for Lithuanians and the provision of teaching jobs in Lithuania for speakers of western European languages contributed to the strengthening of international associations.

These relations continued to be augmented as it became apparent to western governments that Lithuania was absolutely committed to maintaining her independent status. There had been speculation in the West that the election of the



LDLP, the former Communist Party of Lithuania, might possibly lead to a return to a close union with Russia, as Lithuania's immediate neighbour Belarus had done, much to the concern of many Lithuanians. President Brazauskas, however, was quick to reaffirm his commitment both to maintaining Lithuania's hard-won independence and to campaigning for her entry into western security organisations such as NATO and the Western European Union (WEU). Lithuania's desire for NATO membership was graphically illustrated by her willing participation in the creation of a joint Baltic peacekeeping battalion (BALTBAT) and the deployment of Lithuanian forces on peacekeeping duty in the former Yugoslavia. Lithuanian troops also began to undergo training according to NATO guidelines and to use, where possible, NATO-compatible equipment.

A great psychological victory was achieved by the Brazauskas government when Soviet troops were withdrawn from Lithuanian soil a year ahead of those troops in Latvia and Estonia. This was a recognition of the sensible relationship of Brazauskas and Boris Yeltsin, one which was not always the most cordial, but was considerably better than the extremely poor relationship between Yeltsin and Brazauskas' predecessor, Landsbergis. One of Brazauskas' strengths was his recognition of the importance of Lithuania's relationship with Russia. Russia could not be ignored while Lithuania was dependent on Russia for fuel, had the Kaliningrad *Oblast* on her western border and was incapable of defending herself and maintaining her independence in the face of potential Russian aggression. As neighbouring Belarus' links with Russia strengthened, with Russian border guards patrolling Lithuanian borders, the maintenance of this stable relationship became of ever greater significance.

A stable relationship with Russia was also vital for the improvement of Lithuania's economic development. Lithuania's economy had been hindered by Landsbergis' stubborn refusal to accept the importance of Russia as a market for Lithuanian produce, but upon the assumption of office by Brazauskas and the LDLP, trade improved markedly between the two states.<sup>2</sup> The real boost to the Lithuanian economy, however, was the abandoning of the Ruble in 1991 and replacing it, first with the temporary Talonas and then, on 25 June 1993, with her inter-war currency, the Litas. The Litas was pegged to the US dollar, was convertible and proved to be a stable currency in a region where many currencies, in particular the Ruble, were not. Its introduction contributed to the decline in inflation (from 1020 percent in 1992 to 189 percent in 1994) and to a rise in GDP from US\$846 million in 1992 to US\$4,245 million in 1994.<sup>3</sup>

With both Landsbergis and Brazauskas being committed to the transition to a market economy, an extensive and ambitious programme of privatisation was launched. Some enterprises, such as the Klaipeda Tobacco Company or Kaunas Confectionary, were privatised very effectively and benefited from western input. This was particularly evident when observing the increase in production quality over the 1991-1994 period. Western assistance was also responsible for the transformation of goods produced by Lithuanian factories from obviously Soviet



in style to western. A typical example of this was the textiles produced by the Audejas company, which modernised its designs and colour schemes within 12 months of forming a link with an American distributor.

As both the scale of privatisation and GDP increased and a fully convertible currency introduced as Lithuania advanced towards a market economy, her banking network, which had collapsed during the Soviet occupation, was reconstructed. This was yet another indication that both post-Soviet governments were committed to maintaining Lithuania's independence and creating a market economy. Mindful, however, of Lithuania's inability to defend herself if the need arose, both governments decided to keep her gold reserves stored in the Bank of England, where they had been since the inter-war years, for safekeeping.

This decision reflected the delicate situation in which Lithuania found herself during the early years of her rebirth. Despite launching complex programmes to recreate a democracy, to regenerate the economy and to rejoin the international community, both of the governments assessed suffered huge policy failures, which impeded these processes. The impact of these failures was not alleviated by the fact that it was external circumstances, beyond governmental control, which actually dictated the maintenance of Lithuania's independence. Lithuania anxiously monitored events in Russia and this created a climate of desperate uncertainty, detrimental to her evolution. While Landsbergis and Brazauskas were determined to rejoin Europe, neither of them could ignore the political situation in the CIS, as it had immense repercussions for Lithuania's future. Further hindering Lithuania's development in the 1991-1994 period was the legacy of the Soviet mentality which had been instilled in the Lithuanian people throughout the decades of occupation.

The characteristics of this legacy, however, were not all the legacy of occupation. Many of them, such as internal exile, a loss of initiative or a reluctance to shoulder responsibility, are typical of bureaucratic societies in general. What makes the mentality rampant in Lithuania unique is that all of these traits emerged both imbued with specifically Soviet (Communist) tendencies and in a particular geopolitical region as the existing societal and governmental structures were replaced by alien systems. There is also a further element which again differentiates Lithuania and her East Bloc neighbours from Russia itself and other bureaucracies: that this mentality evolved as a direct reaction to the imposition of authoritarian rule following invasion and incorporation into another state. This left a legacy in these states that would otherwise not have occurred.

This legacy manifested itself in a variety of ways. In domestic political life, it was the spread of corruption throughout all areas of society which was detrimental to Lithuania's development. Scandals even affected the highest echelons of the government, which, as in Western Europe, contributed to electoral defeat. But the rise in corruption in Lithuania and the other states of central and eastern Europe, was also accompanied by the growth of mafia-style activity. It had been present under the Soviet regime, but increased markedly upon independence, as people engaged in these types of activities were best suited to take full advantage of the



transition to capitalism. Corruption at government level was the result of the desire not to relinquish power. The former Communist bureaucrats were best placed to gain from the social, political and economic transition and they were determined to benefit from it.

The desire of the LDLP to retain control was most apparent when examining the procedure surrounding land reform. The inability to inaugurate a successful policy was one of the greatest failings of the post-Soviet governments, as it halted so much development in Lithuania. By the end of 1994, most land was still in state control, which hindered foreign investment and also distanced those emigres who wished to return and assist their country of birth. The Law on Citizenship made it even more laborious for Lithuanian emigres to invest in their homeland, especially as they were forced to renounce the citizenship of their adopted country if they wanted Lithuanian citizenship.

Lithuania's numerous emigres were further alienated between 1991 and 1994 as their offers of assistance were largely bypassed. Although the emigre communities had been extremely active in the years preceding independence, most of the offers of help made after independence had been regained were ignored, unlike in the inter-war years, where emigres had been welcomed and their advice valued.

The actual process of government, however, was made additionally complex by the fact Lithuania did not possess an impartial civil service at any time in the period under review. Therefore all departmental decisions were based on personal or political whims, which did not create efficiency and solid government in the critical years of the rebirth of the state. While government service could not offer benefits like those of western states: such as employment security and good pensions, Lithuania was unable to recruit high-calibre staff, as they were employed by the far higher-salaried private sector.

Establishing Lithuania's governmental departments on political foundations was all the more precarious because of the changing fortunes of Lithuania's political elite in the 1991-1994 years. The fragmentation of Sajūdis after the restitution of independence was an inevitable occurrence, given its disparate membership, but the sheer volumes of petty infighting and the numbers of political parties created from it, were astounding. The legacy of the Soviet occupation was incredibly pernicious: five decades of repression had created such a climate of selfishness that people were determined to create individual parties which were based on their precise beliefs rather than compromising. This meant that the majority of the new political parties created failed to receive sufficient votes to gain representation in the *Seimas*: a self-defeating action.

Political conflict contributed to the growth in apathy of the Lithuanian people during the period under review. Disenchantment with the evolving political system in post-Soviet Lithuania increased the popularity of the former Communists, as the voters felt that they were better suited to govern the country. Despite their ability, however, their alleged corruption contributed to the LDLP's own election failure



in 1996. By the end of the period under review, therefore, the political situation in Lithuania was dismal. Although the vital political structures such as the legislature had been re-established, the members of the key political parties were becoming increasingly unpalatable to the electorate, a fact reflected by the decreasing turnout for referenda and elections. Although most Lithuanians were committed to a democracy, they had been unprepared for the difficulties which accompanied it.

Further impediments were faced in the reconstruction of Lithuania's foreign policy in the years between 1991 and 1994. Lithuanians had assumed that their country would easily be able to re-enter the international arena from which she had been barred in 1940, but this was not to be the case. Internal conflicts between existing members regarding expansion of the organisation is one reason why no state in central or eastern Europe has yet achieved entry into the EU. Lithuania's politicians cannot, however, be blamed for this failure, but they cannot escape censure for other foreign policy shortcomings. A crucial error was not implementing plans for the introduction of an apolitical diplomatic service. Like the failure to introduce a civil service, this left Lithuania with a critical dearth of candidates for diplomatic appointments. As a result, Lithuania presented an amateurish and lacklustre facade to the international community. This was most apparent in the selection of ambassadors and other embassy personnel and the manner in which her foreign relations were conducted. Although this had vastly improved by 1997, the damage had been done: many supporters of Lithuania during her battle for independence, such as Denmark, had become disenchanted with the reborn state.

Although dedicated to ensuring good relations with neighbouring states, neither government's foreign relations were as successful as had been hoped. Although inter-Baltic co-operation had enjoyed some degrees of success, disputes over visa issues, minorities and the presence of Russian military forces in the region led to tensions between the three states, tensions highlighted by the reluctance of the three states to be grouped together as a single entity. Relations with Poland were also delicate, despite the signing of the Friendship Treaty. The treaty failed to incorporate the major disputes, especially regarding the designation of Vilnius and the renunciation of Polish claims to Lithuania. It did not, therefore, permanently solve the existing dilemmas: they were only temporarily put aside and were set to cause problems in the future.

Failure to ensure Lithuania's security was a major concern in the 1991-1994 years. Despite campaigning vociferously for entry into NATO, the EU and the WEU, no government of any central or eastern European state was able to procure it. Lithuania was thereby left defenceless, without a security guarantee. Although this was not the fault of her governments, they received the blame from the electorate. Lithuania did not possess and could never afford the military strength required to deter any likely aggressor and needed western assistance to do so. This was recognised by the West: in 1994, Carl Bildt wrote that "the security of the Baltic nations needs to be assured by integration with the institutions of the West."<sup>4</sup>



Yet only associate status of the EU, WEU and the inadequate Partnership for Peace were offered, none of which could assure Baltic security. Further legacies of the Soviet occupation were the shortcomings of the Soviet military doctrine and the extremely poor (though better than their Latvian and Estonian counterparts) levels of training of the Lithuanian armed forces.

While the West lacked confidence in the maintenance of Lithuania's independence, the economy could not develop as rapidly as had been anticipated in 1991. Large-scale investment was therefore not forthcoming, but this was also because of the inability to introduce comprehensive land reform. The economic policies of both governments were overambitious. Landsbergis attempted to completely abandon the Russian market, but although Lithuania had western Europe as an outlet for her produce in the inter-war years, the creation of the European Economic Community had effectively thwarted this after the restitution of independence. Brazauskas' economic policies were on too large a scale. Instead of the instant prosperity which had been expected with the adoption of capitalism, Lithuania witnessed a dramatic increase in inflation and the cost of living, accompanied by a general decline in the standard of living. Although official unemployment figures remained low, they were highly misleading, as many of the unemployed did not register at state offices.

The slow pace of development of Lithuania's economy between 1991 and 1994 was a direct repercussion of the legacy of 50 years of Soviet occupation. It led to a tendency of absenteeism, apathy, an increase in pilfering from the workplace, a widespread loss of initiative, the inability to take decisions and the reluctance to shoulder responsibility, all of which did not facilitate the smooth transition to a market economy. The reluctance of the *Nomenklatura* to relinquish power and control also obstructed the pace of economic reform. And the Soviet-style "mafia," a further type of the species, benefited most of all from this disarray.

By the end of 1994, therefore, many people were disenchanted with post-Soviet life.<sup>5</sup> Much of what had been promised in the campaign for independence had not materialised and people had not gained as much as had been expected from abandoning the USSR. This was not, however, entirely the fault of the governments. The Soviet occupation had created a new breed of Lithuanian, one which was unsuited for the reconstruction of the state.

What was most unusual in post-Soviet Lithuania, as it was a trait not apparent in the inter-war years, was the habit of accusing and denouncing fellow Lithuanians: the harmony which had characterised the Lithuanian independence movement had vanished almost as soon as its goal had been achieved. This tactic was practised in particular by Landsbergis and is not an action which is commendable. As Antanas Smetona, grandson of President Smetona, indicated, "in those [Soviet] times, everyone was someone and if you begin to accuse everyone, there will be no one left."<sup>6</sup> A key trait of life in any occupied society was going into internal exile, while conforming with the regime on the surface. But despite appearing to conform, the majority of Lithuanians, including the



Communist leader Brazauskas, never abandoned their sense of national identity and thus the charge of collaboration is particularly uncharitable. As Smetona himself said, "if a person went along with the system so that he could earn a crust of bread, I can not condemn him, because I do not know what I would have done in his shoes."<sup>7</sup> This mentality, however, was not one unique to Lithuania, but was apparent in all of the post-Soviet republics.

So what does the future hold for Lithuania? From the time of the period which had been reviewed to the present, the situation in Lithuania has not radically changed. There has been another shift in government, but the mechanisms of democratic rule are in place and the economic policies are still consistent: Lithuania is making some progress towards achieving a market economy. While the situation in Russia remains politically constant, Lithuania's independence is assured and she is continuing to develop her foreign relations. All of these are the essential components of the rebirth of any state.

But the problems which overshadowed Lithuania's rebirth in 1994 are no nearer resolution at the present time, despite the election as president of an American emigre, Valdas Adamkus in 1998. Crime and corruption are increasing, a practical policy of land reform has not been introduced, Lithuania still does not possess a viable security guarantee and the growth of her economy, as with all aspects of her society, is being hindered by the legacy of fifty years of incorporation in the USSR. None of these obstacles are likely to be surmounted in the near future and should the political order in Russia change, Lithuania will be in jeopardy. Despite this, the indisputable sense of national identity traditionally held by the Lithuanian people, (which ensured that the rebirth of this nation would eventually occur) remains potent. Whatever the future holds, Lithuanians hope that subsequent generations, untainted by the legacy of the past 50 years, will continue to live in what their forefathers have always considered to be "a land of heroes."<sup>8</sup>

## Notes

1. From *Lietuvos Hymnos*, written in 1898, translated by J. Brazauskaite in 1988.
2. See Appendix 2 for details of the trade between Russia and Lithuania in 1993.
3. See Appendix 2 for data tables.
4. Bildt, C. *The Baltic Litmus Test in Foreign Affairs*, Vol. 73, No. 5. 1994.
5. Užios' cartoons published in the Lithuanian press graphically display this sentiment.
6. Interview with Antanas Smetona, *Lietuvos Aidas*, 15 March 1997.
7. Interview with Antanas Smetona, *Lietuvos Aidas*, 15 March 1997.
8. *Lietuvos Hymnos*.



# Appendix 1

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## Case Studies

The following case studies are all referred to in the body of the book. In each, the appropriate chapter and end note numbers, are indicated at the beginning of the text.

*Case Study: The Forest Brothers: 1940-1953 (Chapter 1)*

The Forest Brothers could not have waged their campaign and survived for so long without the assistance of ordinary people. One aged woman from Viekšniai frequently assisted Forest Brothers after the rest of her family had been deported or had managed to flee. She herself had been severely assaulted by Soviet troops. She had several anecdotes which give an idea of how Lithuanians supported the Forest Brothers and the climate of fear in which they lived:

“I took in a Forest Brother one night in 1947 and he was feeling unwell. I hid him in the basement, but during the night I heard some strange noises coming from the basement and when I went to check the next morning, I found that he had died. I didn’t know what to do, because if I were caught with the body of a dead Forest Brother in the house, I would be arrested. So I kept him in the basement for a couple of days and finally one night I managed to drag him to the fringes of the forest and bury him.”

“In 1952 a Forest Brother came to my village. We heard there were Russians



coming and it wasn't safe for him to try and get back to the forest, because it was likely that he would get caught on the fringes. So we disguised him: his hair was so long and he wore it in two plaits, like a girl. So we shaved him and put him in a dress and sat him in the corner. When the Russians arrived, and asked who the old woman was, I said that she was a cousin who was dumb and the Russians believed it and left. This Forest Brother was one of the most successful: he was only arrested in 1958, five years after the Forest Brothers' campaign officially ended."

Interview: 29 June 1994.

*Case Study: The Lithuanian Embassy in London (Chapter 3)*

In the inter-war years, the London legation<sup>1</sup> had been one of Lithuania's most active foreign posts. By 1939 it had a staff of six, including Minister<sup>2</sup> Balutis, Deputy Minister Balickas, Counsellor Rabinaciū, Agricultural Attache<sup>3</sup> Varkala and Public Relations' Spokesman Sničėvas. In 1926 Rabinaciū found an elegant building at 19, Palace Gardens, opposite the Soviet embassy at No. 13.

When war broke out in 1939, Rabinaciū, a Lithuanian Jew, emigrated to Lithuania and Sničėvas returned to Lithuania, before fleeing to Canada, where in later years he became Lithuanian consul general. For fear of bomb damage, all the furniture from the legation was placed into storage in a warehouse in Bermondsey, which, while the legation itself was spared any damage, suffered a direct hit in an air raid and was totally destroyed. In 1940, following the Soviet occupation of Lithuania, all the staff at the legation were ordered to report to the Soviet embassy in London "to be given new assignments."<sup>4</sup>

Only one person<sup>5</sup> reported to the embassy, because his wife, a Communist sympathiser, had forced him to. He was awarded a new position as head of a Russian bank in London, but that did not save his wife's family, who were all deported to Siberia in 1944.<sup>6</sup> None of the other remaining Legation staff appeared at the Soviet embassy, as they were convinced that they would be returned to Lithuania and/or deported, especially as they were aware that some members of their family in Lithuania had already been sent to Siberia.

As the war continued and funds became depleted, Minister Balutis was nearing bankruptcy. Brazgionis, a Lithuanian working at De La Rue, which printed Lithuania's money, and whose sister was married to former Lithuanian President Grinius,<sup>7</sup> agreed to lend Balutis £1,500. With this loan, Balutis was able to survive until the end of the war when he sold 19, Palace Gardens to the Syrians in December 1945 for £11,000. He bought the smaller premises of 28, Essex Villas for £5,500.<sup>8</sup> The building was left in Balutis' will to "The People of Lithuania," but was put in Balickas' name, so that it could not be seized or confiscated by the Soviet authorities.<sup>9</sup> Balutis (until his death), Balickas and Varkala, while no longer having a state to represent, remained in the UK on the FCO Diplomatic List as "Diplomats



in Britain welcomed by Her Majesty's Government" until international recognition of the restitution of Lithuania's independence in 1991.

Upon the restitution of independence, 28, Essex Villas once again assumed its role of embassy of the Republic of Lithuania. In the course of the Soviet occupation of Lithuania, the two surviving members of the legation staff had grown old. Varkala had ceased communicating with Balickas after the fiasco surrounding the loss of Balutis' papers after his death and had worked as a businessman, later retiring to Hampshire with his wife. Balickas, in contrast, remained in residence at 28, Essex Villas, converting it into his family residence. This was to prove a serious problem upon the restitution of independence, for although the Lithuanian government wanted to re-open their embassy, Balickas and his family were extremely reluctant to lose their home.

There was also the complicated question of whom to appoint as ambassador. Technically the post should have been filled by Balickas, as he was Balutis' immediate deputy, but this was not approved of by the Lithuanian community in London, who believed that Balickas was no longer of entirely sound mind. He had also lost their favour by his unwillingness to participate in the numerous demonstrations calling for the freedom of Lithuania. Many of the Lithuanian community in London believed that Varkala should assume the mantle of ambassador, as not only did he have a fluent command of the English language, unlike Balickas (who despite all his years in residence in the UK never learned more than the most basic of vocabularies), but because he also had enough practical common sense and business acumen to be of real assistance to Lithuania in the first, difficult years of post-Soviet independence.<sup>10</sup> But, in what proved to be a costly mistake, the Landsbergis government believed that Balickas should be rewarded for maintaining the embassy during the occupation and appointed him ambassador.

The ambassador alone, however, could not run the embassy, especially an ambassador in failing health. But there was, as in all of the re-opened or re-established missions around the world, a shortage of staff and the funds to provide them. S. Kervaitis and G. Stankevičius were temporary officials sent to the embassy and in 1992, Antanas Nesavas was despatched from Vilnius (with a minimal command of the English language) to act as charge d'affaires. The bulk of the work, however, was originally carried out, *gratis*, by a volunteer from the Lithuanian community in London, Jone Brazauskaite.

The 45 years of Balickas' residency in 28, Essex Villas, however, caused problems. Balickas considered the embassy to be his home and was reluctant to lose any of his living space. Consequently all of the embassy work was undertaken in one small attic room, while the large, elegant staterooms remained Balickas' home except on the sole occasion of Lithuanian Independence Day, 1992, when he grudgingly permitted the state rooms to be used to host an evening reception. Equipping the embassy with a staff whose chief officers had a minimal command of English and being forced to operate from an attic room gave an air of amateurism



to the whole running of the embassy and presented a poor image to the British diplomatic community and, indeed, to anyone who visited the embassy.<sup>11</sup>

It was left to Nesavas and Brazauskaite, who were joined by a Lithuanian American, Imsrė Sabaliūnas, as head of chancery, to begin operating the embassy. They had to prepare for the accreditation of Balickas: the presentation of credentials to the Queen was a monumental event in the eyes of the Lithuanian people. Balickas demanded that his visit to Buckingham Palace should begin not from the embassy, but from the Presidential Suite at the Carlton Hotel, as he had seen ambassadors from other states do.<sup>12</sup>

Following the accreditation, the embassy staff began to undertake more menial tasks. Nesavas had to learn how to operate in a western society. He clung to the mentality of a Soviet bureaucrat: he was extremely unhelpful to callers at the embassy and was incensed when Brazauskaite would volunteer information to those who required it.<sup>13</sup> He also had to learn how to answer letters: on arriving at the embassy, Brazauskaite had discovered a towering pile of unanswered correspondence, which had just been disregarded in typical Soviet manner by Kervaitis and Stankevičius. As well as the paperwork, the other important task was to acquire an embassy car. The Lithuanian community in London was approached by Brazauskaite and an offer of a top-of-the-range Rover was made. This was the beginning of the real alienation of the London Lithuanians: Nesavas rejected it, believing that Lithuania needed a car with more "status."<sup>14</sup> Thus, at far greater expense, a Volvo 850 was purchased, a move which truly offended the Lithuanian community as they felt they had been roundly snubbed.

Following the election victory of the LDLP in the autumn of 1992, more staff began arriving at the embassy. These were predominantly political appointments made by Brazauskas. A political counsellor and an economics counsellor were both former Communists and brought with them that mentality, which was not of great benefit to the smooth running of the embassy. Relations between the embassy and the Lithuanian community in London soured still further as the embassy staff ignored their efforts of help. This was in direct contrast to the case of Latvia, where the Latvian community in London were extremely active in re-opening and running the embassy and whose efforts were appreciated by the Latvian Ministry of Foreign Affairs.<sup>15</sup> Brazauskaite left the embassy, although she continued to maintain contact privately with some of the embassy staff and give them assistance, particularly in the field of press relations. Varkala also maintained contact with the embassy, again, in a private capacity, but relations with Balickas remained hostile.

The legacy of the Soviet occupation meant that the embassy did not function smoothly and it failed to provide a real service to the Lithuanian Ministry of Foreign Affairs. Things became worse in the autumn of 1993. As Ambassador Balickas grew increasingly frail, Brazauskas accepted that he needed to be retired. Nesavas presumed himself to be the natural successor, as he had been undertaking the majority of Balickas' ambassadorial duties. As the months went on, however,



it appeared as if this would not be the case and over a January 1994 weekend, Nesavas disappeared without trace. It was not until April 1994 that he resurfaced in Vilnius, claiming to have suffered a mental health illness.<sup>16</sup> Brazauskas had not intended that Nesavas should succeed Balickas: under his regime, ambassadorial appointments tended to be people he wanted away from Vilnius and Balickas' successor was no exception.

Raimundas Rejackas had been Brazauskas' general adviser and was appointed ambassador at the start of 1994 as he had fallen into disfavour with a number of Brazauskas' prominent supporters in Vilnius.<sup>17</sup> This move was not appreciated by the London Lithuanians, who believed that the maintenance of relations between Lithuania and the UK was so important that the best quality candidates should be posted to the London embassy as opposed to government "rejects."<sup>18</sup> As news of the nature of the ambassadorial appointment became widespread through political circles in London, Lithuania's status in the eyes of the British FCO decreased, as it was believed that London was being snubbed by the appointment of "second rate" candidates.<sup>19</sup> It was felt that by the appointment of such a character, Lithuania did not value the importance of her foreign relations and this was to hinder the growth of these relations in the post-independence years.

In the years following 1994, the embassy continued to be staffed by political appointees. The successor to Rejackas was Justas Paleckis, formerly a member of the USSR's Ministry of Foreign Affairs and ideology chief of the CPL. He had been Brazauskas' foreign policy adviser, and his appointment displeased some of the London Lithuanians. Compared to his predecessors, however, Paleckis was by far the most competent of all of Lithuania's fledgling ambassadors. The appointments made to the embassy at the end of 1996, though political by their nature, were of far greater benefit to Lithuania, as they were all efficient and moderately successful diplomats. As the lease on 28, Essex Villas, reached expiration, the embassy moved to a freehold building in Gloucester Place and shortly after moving out of the building which he had occupied for over 50 years, Balickas died on 22 December 1996.

The Lithuanians had made a shambolic start at re-establishing their diplomatic community in Britain. Similar cases were reported in Paris, Bonn and Washington D.C. All of the new embassies were burdened by the inefficiency and petty bureaucracy which had characterised the Soviet regime and thus it was only five years after the restitution of independence that Lithuania's diplomats were finally able to function in a manner even vaguely similar to their western counterparts and not in the former Soviet style.

## Notes

1. The term "legation" was used, rather than "embassy" in the inter-war years.



2. Lithuania did not have official ambassadors in the inter-war years and used the term minister instead, although the minister possessed ambassadorial powers and held ambassadorial status.

3. Many states with embassies in London do not place great importance in the position of agricultural attache, but because of Lithuania's volume of agricultural exports to the UK in the inter-war years, this position was vital. In the post-independence years, however, there was not an agricultural attache at the Lithuanian embassy in London.

4. On 13 August 1940, all members of the Lithuanian Legation in London received a letter from the counsellor at the Soviet embassy in London, stating that the government of the USSR had "taken over the legation of the former Lithuanian Republic." The legation staff were ordered to "1) immediately hand over all documents and archives located in the Legation and transfer all power to the representatives of the USSR in Great Britain. 2) To immediately inform the Ministry of Foreign Affairs that the Legation was discontinuing all activities of the Mission and Consulate. 3) On completely concluding the handover and following the meeting [with the Soviet representatives] to return immediately to the Motherland." (The original letter was typed in Russian, translated by A. Ashbourne, 15 October 1993.)

5. Petras Varkala refused to name him during the interview on 15 October 1993.

6. She stopped supporting Communism after the deportations, having lost her entire close family.

7. To a westerner, such family detail might seem excessive, but family connections were (in the inter-war years and to a great extent are, post-independence) the basis for most activity within Lithuania, either in the field of international relations or commerce. The family unit is given great importance in Lithuania and the concept of the extended family is widely used. Family loyalty, no matter how distant the genealogical connection, was, and still is, therefore, a powerful force in Lithuania, as demonstrated by the pressure applied for Minister Balutis' loan.

8. Petras Varkala, who oversaw the sale and purchase of the legation's buildings. Interview, 15 October 1993.

9. Balutis' will (executor, Petras Varkala). Balutis died on 30 December 1967. In his will, all of his estate was left to "The People of Lithuania" and instructions were given to Petras Varkala to open his diaries and papers 10 years after his death. But relations between Balutis and Balickas, his deputy, were "terrible" (according to Varkala) and the papers and diaries, which would have provided an excellent insight into the history of inter-war Lithuania, were never handed over and were presumably lost. All of Balutis' possessions were put in the name of Balickas "on condition that when Lithuania regains her independence, everything shall be given to Lithuania." It is interesting to note the optimism which characterised the exiles: the use of the word "when" rather than "if" illustrated the belief that the Soviet occupation would only be temporary and that Lithuania would eventually be able to reaffirm her independence.

10. Discussions with many members of the Lithuanian community in London throughout 1991-1992. I met no one, apart from Balickas' family, who believed that he should have been appointed ambassador.

11. Jone Brazauskaite, interview, 16 February 1992, and my personal experiences of the embassy in 1991-1992. Perhaps the worst part of being forced to go to the attic for embassy business was being stared at by the ambassador and his wife as one ascended the five flights of stairs and being made to feel extremely uncomfortable, as if trespassing, which is, in fact,



more or less how they viewed visitors to the embassy.

12. Brazauskaite counselled vehemently against this, believing it to be a thoroughly unnecessary expense, but she was overruled by both Balickas and Nesavas, who wanted to enjoy the trappings of ambassadorial power, however inappropriate.

13. A definite legacy of the Soviet occupation was the reluctance to volunteer information of any kind: it took many months before Brazauskaite could convince Nesavas to answer the telephone with the words "Lithuanian embassy, hello," rather than to say nothing at all.

14. A. Nesavas, Charge d'Affaires, Lithuanian embassy, interview, 11 March 1992.

15. Paul Zandosky-Roddy, Latvian community in London, interview, 5 September 1993.

16. Nesavas remained in the employ of the Ministry of Foreign Affairs, despite his obvious mental instability, but was posted to Georgia, where he died in a road accident in December of that year.

17. Therefore Brazauskas considered it expedient to have him out of the public eye. In a similar manner, cabinet members Cecil Parkinson and David Mellor were forced to resign their posts in the UK after their behaviour was deemed embarrassing to the government. Like Parkinson, in particular, Rejackas regained political office by being elected to the *Seimas* in the 1996 elections. The difference, however, was that he changed parties in 1995 and is now a Conservative. He claimed that this was an intellectual decision: that he was disenchanted and disgusted with the abuses of power by the LDLP. Source: J. Brazauskaite, interview, 21 January 1996.

18. Petras Varkala, interview, 15 February 1994.

19. A former head of the Joint Intelligence Committee, interview, 6 April 1994.

### *Case Study on Jurgis Kairys: International Participation of a Lithuanian Aerobatic Pilot (Chapter 3)*

Kairys' participation in international competition is arranged through the Transport Ministry in Vilnius, which is responsible for liaising with the organisers of the international competitions and their sponsor, Breitling. Unlike other Lithuanian sportsmen and women, who struggled to distance themselves from their link with the USSR, Kairys continued to demonstrate his ties to Russia. In competition, he advertised the fact that not only was he the Lithuanian champion, but that he was also chief test-pilot for Sukhoi. His relationship with Sukhoi was mutually beneficial: the Russian company had a pilot demonstrating its product to an international audience while Kairys was given the opportunity to fly different types of aerobatic planes manufactured in both East and West in his capacity as chief test pilot. He was involved in the development of the SU-31 from the programme's inception and was able to use the knowledge he had gleaned from flying many aerobatic planes to enable the SU-31 to be one of the most agile aerobatic planes ever manufactured; "The best plane I have ever flown!"

Kairys also benefited from maintaining his relationship with Sukhoi because with the poor economic situation in Lithuania, he would not have been able to



compete internationally without the Sukhoi sponsorship. The maintenance and the entry fees would have been more than he could afford and Kairys was reluctant to ask the Lithuanian government for so much financial support. Attending international air displays is just one achievement of re-integration and although air show participation has rarely been given a great deal of importance or considered significant by western states, in Lithuania Kairys was feted as a national hero because he had brought his state, once more, into the public eye.

Source: J. Kairys, interview at the Internationale Luft Ausstellung (ILA) Berlin, 27 May 1994.

*Case Study: The Acquisition of Klaipeda Tobacco Company. (Chapter 5)*

Throughout the negotiations with Philip Morris (the world's largest manufacturer of cigarettes and other tobacco products) the government of Lithuania was advised by a number of international consultancy firms. KPMG Peat Marwick Policy Economics Group advised on financial aspects, McKenna & Co. handled the legal side and Arthur Andersen provided general assistance. Their role was to design a specific, detailed path along which privatisation would proceed. This covered the initial plan for privatisation, the notice of tender and the following application forms as directed by the Central Privatisation Commission, the tender documents and relative tender assessment criteria. All the documents were written in English, but were subsequently translated into Lithuanian and Russian to allow for quick assessment of their contents to be made by all interested parties.

The initial privatisation plan covered an overview of the Company, proposals on the necessary restructuring to enable it to compete in the international market, regulatory issues and an analysis of Klaipeda Tobacco Company's potential market valuation. It also contained an outline of the tender process, the necessary documentation and timetables for the various stages of privatisation. Valuations of the company were made by examining discounted cash-flow and making a projection of the impact of the implementation of regulatory decisions on cash-flow calculations. These covered the level of minority state equity retained; employment guarantees and operation restrictions such as the cost of advertising, price liberalisation and levels of import duty and tax.

Following verification of the valuation memorandum, the official notice of tender was published in the Lithuanian press in November 1992 and was also sent to target potential investors. A 10-week period was given in which bids could be submitted. Applications for tender documents were submitted by interested potential bidders in a manner which allowed for legally enforceable confidentiality provisions (made possible by the charging of a US\$250 administration fee). The documents ensured that all tender proposals were legally binding under Lithuanian law, that they covered all the necessary business, financial and legal details of the company and



that prospective bidders were entirely clear about the rules governing the eventual tender. This was a vital matter as this case was setting a precedent for future large-scale privatisation in Lithuania and therefore everything had to be made deliberately clear to potential investors to avoid any misunderstandings and to ensure that future privatisation projects would proceed smoothly.

In order that competing bids could be compared, a draft agreement of the Klaipeda Tobacco Company was also included. This outlined certain guarantees made by the government, most important specific environmental issues related to the past practices at the company in the days before the protection of the environment had been a real concern. A pro-forma tender proposal was included which specified the exact tender proposals needed regarding payment, plus investment, technical, marketing, training and employment assistance. A western-style marketing strategy was also included in the package.

Tender proposals were submitted by interested bidders at the end of January 1993 and then the process of selection by the Lithuanian government began. In mid-February, representatives of Philip Morris were invited to Vilnius for further negotiations, which resulted in the publication of a review proposal and the subsequent signing of a conditional sale agreement in March. The sale of Klaipeda Tobacco Company was approved a week later, following the sale agreement, escrow agreements and a letter of disclosure being published on 1 April. The official share transfer documents were signed in May, a mere 7 months after original negotiations began.

The Lithuanian government was attracted by Philip Morris' bid because of several key points made in the February review proposal. The tobacco magnate paid the Republic of Lithuania US\$12.5 million for 64.9 percent of existing equity. Contributions to equity were also made in capital expenditure, of which approximately US\$30 million was to be used to modernise and develop the enterprise. Designed to attract the support of the existing employees at Klaipeda Tobacco Company at a time of rising unemployment, Philip Morris guaranteed to maintain existing employment levels for a three-year period and then indicated that employment in the company was actually expected to increase by a further 33 percent. As a gesture of goodwill, Philip Morris further endeared itself to the people of Klaipeda by contributing US\$500,000 to establish an employees' pension fund and by making a US\$100,000 donation to a Lithuanian children's hospital.

Source: EU PHARE Programme *Klaipeda Tobacco Company* PHARE: 1994, 3-8

*Case study: Property Restitution: (Chapter 5)*

Property: 600-acre farm, Balsupė, near Marijampolė

Pre-Occupation Owner: Z. Rutkauskiene (in possession of original title deed)



The farm was confiscated in 1944 when Rutkauskiene and the majority of her family were deported to Siberia on charges of capitalism and alienating the workers of the village. The original wooden houses and barns were removed from their foundations, subdivided and replaced throughout the village of Balsupė, on the northern fringe of the property. Most of the original buildings in the village, including the church and family cemetery were either razed or heavily vandalised. The acreage became incorporated into a large *kolkhoz*.

At the end of 1991, the first Law on the Restitution of Ownership Rights to Residents of Existing Real Estate was passed, according to which, the property would be returned to Rutkauskiene. The land, however, was not immediately returned, despite a personal assurance from President Brazauskas in April 1993 that it would be. Then in late 1993 the law was changed again and new legislation, outlined in Chapter 3, prevented the immediate return of the property.

In 1994, additional legislation divided the property into zones. Rutkauskiene was informed that 200 acres were available for return: 12 acres at the far east of the property and the remaining 188 at the far west of the property, around the site of the former houses. No access would be provided to link the two. The remaining 400 acres, the most prime arable land, was designated a "Green Zone." This was subdivided into small plots, with the intention of selling them to the villagers of Balsupė. Balsupė, however, is an extremely poor village, especially after its near destruction by the Soviet occupying forces and no villager could afford any of the plots of land. Rutkauskiene was also extremely reluctant to relinquish any claim to the land: the compensation for the 400 acre prime site only amounted to the value of six television sets and she was not prepared to settle for such a paltry amount.

On 5 July 1994, Rutkauskiene, accompanied by relatives from the West, one of whom had received the personal assurance from Brazauskas of the property's return, contacted the Ministry of Agriculture in Vilnius. There they were told to see the head of the Agriculture Commission in Marijampolė, Mindaugas Allessius. Their meeting was tense and unproductive. Allessius was far more used to dealing with poor farmers and his manner of dealing with them, witnessed personally by Rutkauskiene and her family, was to shout abuse at them until they departed. This tactic, however, was not to work with Rutkauskiene. But all Allessius could finally say was that the land restitution policy would be changing "no doubt within six months" and that it was best to hold out and wait for a more favourable policy. By 1997, however, the land was still unreturned and the majority of it was lying idle.

The most disappointing aspect of this whole case, and one which affected so many Lithuanian farms and enterprises, was the loss of foreign investment. In 1991, Rutkauskiene's niece had approached the British Pig Improvement Company, (BPIC) who, after an exploratory visit to the site had pronounced it highly suitable for pig farming, one of the principal inter-war years' industries. Lithuania possesses ideal conditions for pig farming: a good climate and ideal soil and feeding conditions. As the restitution issue proceeded, however, BPIC was reluctantly



forced to admit that there was little use in investing—not only at the Baluspė farm, but in Lithuania as a whole. The restitution of part of the land was insufficient for their needs and the frequent amendments to the legislation did not inspire confidence in future investment prospects; one of the great tragedies of Lithuania's rebirth and an unnecessary blow to the economy.

Interview with Zanute Rutkauskiene, 6 July 1998.



# Appendix 2

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## Data

### Election Results to the Constituent Assembly (14-15 April 1920):

Christian Democratic Bloc	59 seats
Peasant Union and Socialist Populist Bloc	28 seats
Social Democrats	12 seats
Independents	2 seats
Jewish Minority	7 seats
Poles	3 seats
Germans	1 seat

Source: Gerutis, A. *Lithuania 700 Years*, Manyland: 1984, 193.

### Election Results, February 1990:

Sajūdis	99 deputies
CPL	25 deputies
CPSU	7 deputies
Independents	5 deputies

### Chairmanship Elections by the Deputies (9 March 1990):

Landsbergis	91 votes
Brazauskas	38 votes
Abstentions	7 votes

Source: Lieven, A. *The Baltic Revolutions*, Yale University Press: 1993, 234-235.



**Election results (by Seats in the *Seimas*):**

<i>Party</i>	<i>1992</i>	<i>1996</i>
LDLP	73	12
Union of Christian Democrats	1	1
Lithuanian Poles' Union	4	-
The Centre Union of Lithuania	2	14
Lithuanian Democratic Party	4	2
Lithuanian Christian Democratic Party	9	16
Lithuania's Sajūdis	28	-
Lithuanian Social Democratic Party	8	12
Lithuanian Nationalist Union	3	1
Independence Party	1	-
Lithuanian Union of Political Prisoners	2	-
Lithuanian Union of Political Prisoners and Deportees	5	1
Lithuanian Poles' Electoral Action	-	3
Homeland Union Lithuanian Conservatives (former Sajūdis)	-	70
Other Parties	-	4
Self-nominated	1	3
Total	141	139
<i>Voter Turnout:</i>	72%	53%

Source: Lithuanian Embassy, London.

**Ethnic Groups in the Baltic States, 1994:***Total Populations:*

Estonia	1,552,000
Latvia	2,526,049
Lithuania	3,724,000



*Population by Nationality, percent:**Lithuania:*

Lithuanian	81.1
Russian	8.5
Polish	7.0
Belarussian	1.5
Ukrainian	1.0

*Latvia:*

Latvian	53.5
Russian	33.5
Belarussian	4.2
Ukrainian	3.2
Polish	2.2
Lithuanian	1.2

*Estonia:*

Estonian	61.5
Russian	30.3
Ukrainian	3.1
Belarussian	1.8
Finnish	1.1
Jewish	0.3
Tartar	0.3
German	0.2
Latvian	0.2
Polish	0.2
Others	1.1

Source: Beaver, P. (ed.) *Jane's Sentinel: Central Europe and the Baltic States*, Jane's Information Group: 1996, 17.

**Principal Political Parties in the Baltic States (1996):***Estonia:*

Isamaa  
 Moderates Electoral Alliance  
 Estonian National Independence Movement  
 Estonian National Progressive Party  
 Estonian Democratic Labour Party



Baltic Organisation of Young Democrats  
 Consolidation Party  
 Estonian Entrepreneurs' Party  
 Estonian Green Movement  
 Estonian Royalist Party  
 Estonian Rural Centre Party  
 Estonian Social Democratic Party  
 Russian Democratic Movement

*Latvia:*

Latvian Way  
 Latvian Farmers' Union  
 Latvian National Independence Movement  
 Harmony for Latvia  
 Rebirth of National Economy  
 Equality  
 Christian Democratic Union of Latvia  
 Union for Fatherland and Freedom  
 Democratic Centre Party

*Lithuania:*

Lithuanian Democratic Labour Party  
 Christian Democratic Party  
 Lithuanian Farmers Union  
 Lithuanian National Union  
 Lithuania Social Democratic Party  
 Polish Union  
 Lithuanian Green Party  
 Sąjūdis

**Inflation, 1991-1994:**

<i>1991</i>	<i>1992</i>	<i>1993</i>	<i>1994</i>
216.4%	1020.0%	410.0%	189.0%

Source: The World Business Economic Review 1996, 485.



**Gross Domestic Product By Sector (Million US\$): 1992-1994:**

	<i>1992</i>	<i>1993</i>	<i>1994</i>
	846.6	2776.9	4,245.1

Source: Ministry of Industry.

**Foreign Trade in 1993:***Exports (million Lt/%):*

CIS	3,332.2	62.5%
EU	717.9	13.5%
EFTA	250.9	4.7%
Central/Eastern Europe	923.2	17.3%
USA	49.0	0.9%
Other	62.6	1.1%
Total:	5,355.0	100%

*Imports (million Lt/%):*

CIS	4,697.2	83.7%
EU	380.7	6.8%
EFTA	145.1	2.6%
Central/Eastern Europe	167.9	3.0%
USA	106.9	1.9%
Other	110.8	2.0%
Total:	5,608.6	100%

**Main Trading Partners in 1993:***Exports (million Lt/%):*

Russia	2,318.8	43.5%
Latvia	565.4	10.6%
Belarus	388.0	7.3%
Ukraine	332.3	6.2%



Germany	318.3	6.0%
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*Imports (million Lt/%):*

Russia	4,135.2	74.0%
Germany	213.1	3.8%
Kazakhstan	166.1	3.0%
Belarus	144.7	2.6%
Ukraine	134.2	2.4%

Source: Lithuanian Information Institute.

### **Lithuania's Membership of International Organisations:**

Bank for International Settlements (BIS)  
 Council for the Baltic Sea States (CBSS)  
 Council of Europe (CE)  
 Customs Co-operation Council (CCC)  
 Economic Commission for Europe (ECE)  
 European Bank for Reconstruction and Development (EBRD)  
 Food and Agricultural Organisation (FAO)  
 International Bank for Reconstruction and Development (IBRD)  
 International Civil Aviation Organisation (ICAO)  
 International Criminal Police Organisation (INTERPOL)  
 International Labour Organisation (ILO)  
 International Monetary Fund (IMF)  
 International Olympic Committee (IOC)  
 International Organisation for Standardisation (ISO)  
 International Telecommunication Union (ITU)  
 International Telecommunications Satellite Organisation (INTELSAT)  
 League of Red Cross and Red Crescent Societies (LORCS)  
 North Atlantic Co-operation Council (NACC)  
 Organisation for Security and Co-operation in Europe (OSCE)  
 United Nations (UN)  
 United Nations Conference on Trade and Development (UNCTAD)  
 United Nations Educational, Scientific and Cultural Organisation (UNESCO)  
 United Nations Industrial Development Organisation (UNIDO)  
 Universal Postal Union (UPU)  
 Western European Union (WEU -Associate Status)  
 World Health Organisation (WHO)  
 World Intellectual Property Organisation (WIPO)  
 World Meteorological Organisation (WMO)



## Members of the Lithuanian Government in 1990 and Their Previous Occupations:

Chairman:	Vytautas Landsbergis, Musicologist, Professor
Deputy Chairman:	Bronislavas Kuzmickas, Philosopher
Deputy Chairman:	Kazimieras Motieka, Lawyer
Deputy Chairman:	Česlovas Stankevičius, Engineer
Council of Ministers:	
	Kazimiera Prunskienė, Economist
	Algirdas Brazauskas, Civil Engineer, First Secretary of the CP.
	Romualdas Ozolas, Editor, Member of the Central Committee of the CPL
	Vytautas Knašys, Agronomist, Member of the Central Committee of the CPL
	Kostas Birulis, Electrical Engineer
Culture and Education:	Darius Kuolys, Editor
Economics:	Vytautas Navickas, Economist
Energy:	Leonantas Ašmantas, Energetics Specialist
Finance:	Romualdas Sikorskis, Finance Specialist, Member of the Central Committee of the CPL
Foreign Affairs:	Algirdas Saudargas, Biophysicist
Forestry:	Vaidotas Antanaitis, Forestry Engineer
Health:	Juozas Olekas, Surgeon
Housing:	Algimantis Nasvytis, Architect
Interior:	Marijonas Misiukonis, Lawyer, Minister of the Interior of the CPL
Justice:	Pranas Kūris, Minister of Justice of the Lithuanian SSR
Social Security:	Algis Dobravolskas, Economist, Member of the Central Committee of the CPL
Trade:	Albertas Sinevičius, Engineer, Deputy Minister of Light Industry, 1987-1990
Transport:	Jonas Biržiškis, Engineer

Source: Romas Kinka, Anglo-Baltic Information Consultancy.



**The Lithuanian Diaspora, 1991:**

USA	812,000
Russia	70,000
Brazil	35,000
Argentina	35,000
Latvia	35,000
Poland	30,000
Canada	20,000
Ukraine	11,000
Belarus	10,000
Kazakhstan	10,000
Australia	10,000
Germany	10,000
Great Britain	10,000
Uruguay	3,500
Estonia	2,500
France	1,200
Others	1,000
Total:	1,106,000

Source: Department of Regional Problems and National Minorities



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*International Herald Tribune*.  
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# Oral Sources

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Due to the exceptionally contemporary nature of this book, a considerable amount of my information is derived from oral sources. These range from government officials in a number of states (not just Lithuania) to ordinary people, but what all the sources have in common is that they were, in however small or large a measure, able to contribute vital material to my study. A few of my sources are now deceased, but I revel in my good fortune that I was able to share their experiences.

The gathering of information from oral sources was undertaken in a variety of ways. There were formal interviews, which were recorded on tape; interviews where notes of the conversation were taken by hand; and numerous meals, notes from which were made afterwards. Other information was gleaned from normal conversations, snatched moments while travelling in cars, buses or trains and many, many hours sitting around talking, listening to people's experiences and ideas. A number of people gave me interviews over the telephone and were available to answer individual questions as they arose during the writing of this book. The majority of people to whom I spoke were prepared to go "on the record" and be directly quoted. There were some occasions, however, where it was requested that the information given to me, which I was welcomed to use, should not be directly attributed to certain people. It is in these cases that my endnotes refer to a "source at the Ministry of Foreign Affairs" or likewise.

Having been directly involved in the process of the re-emergence of modern Lithuania, some of my endnotes are also attributed to "my own information" or "personal experience," as I witnessed personally the various stages of the rebirth of Lithuania.

The following is a list of all those oral sources who contributed to the study. Their names, especially those unknown to western readers, are accompanied by short biographical detail to demonstrate their relevance to the book. Some are not directly referred to in the text, but they were responsible for giving me information, ideas and inspiration and deserve credit for this.



## In Lithuania:

Allessius, Mindaugas: Director of the Agrarian Reform Agency, Marijampolė.

Balutis, Adolfas: President of the Union of Lithuanian Large Towns, headquartered in Kaunas.

Bernotas, Rokas: A former lecturer in Chemistry and a fluent Japanese speaker, he joined the Ministry of Foreign Affairs in 1991, studying at the Foreign Service School at St. Anthony's College, Oxford University, in 1993 and becoming vice minister in charge of western Europe in 1994. He was appointed to the Lithuanian Embassy in Rome in 1996. He is one of the principal forces behind the reconstruction of the Ministry of Foreign Affairs and is a campaigner for the creation and introduction of an impartial civil service. Of all the Ministry of Foreign Affairs staff, he possesses the greatest understanding of the challenges facing Lithuania in the period of her rebirth.

Brazauskas, Algirdas: President of Lithuania (1993-1997). Leader of the Lithuanian Democratic Labour Party (LDLP), formerly the Communist Party of Lithuania.

Brazauskas, Zigmas: An architect and environmentalist in Kaunas and a campaigner for the restitution of Lithuania's independence. He has an exceptionally wise and sensible perception of events in Lithuania and remarkable political nous for someone who was not involved in the Communist Party's activities during the occupation.

Brazauskiene, Laime: Dentist in Kaunas. Married to Zigmas Brazauskas (*qv*) and shares his sensibilities and practical nature. During the last years of the occupation, she treated numerous CPL officials and members of the *Nomenklatura* as she was able to receive western dental products, such as fillings, sent or brought by relatives in the UK and USA.

Čekuolis, Algimantas: Journalist, writer and editor of popular weekly newspaper *Gimtasis kraštas*. He was the principal spokesman in the West for Sajūdis before the restitution of independence. Since independence, he sat on the board of the collapsed APUS Bank in Kaunas.

Dargis, Vladas: Editor, *Europos Lietuvis*, he returned to Lithuania in 1993, after 50 years spent as an emigre in London.



Gaidys, Vladas: Professor at the Lithuanian Academy of Sciences, Vilnius, and undertakes research for the Lithuanian Information Institute.

Galvinas, Admiral: Lithuanian Navy.

Genys, Kestutis: Actor and voice of Sajūdis during the struggle for independence.

Greičiunas, Valentinas: Director of the State Harbour, Klaipeda.

Hargreaves, Jonathan: Director of the European Union PHARE Programme, headquartered in the Lithuanian Ministry of Foreign Affairs, Vilnius.

Janulaitiene, Kazimiera: Spokeswoman for the Lithuanian Information Institute, Vilnius.

Kairys, Jurgis: Lithuania's internationally - renowned aerobatic pilot and chief test pilot for the Russian aerospace company Sukhoi.

Landsbergis, Vytautas: *de facto* head of state of Lithuania, 1990-1993. Elected chairman of Sajūdis in November 1988. Professor of Musicology by profession. Perceived in the West as the chief symbol of Lithuania's struggle for independence, but defeated in the elections of 1992, before regaining victory as leader of a Conservative coalition government in 1996.

Makštalė, Alvydas: Senior official in the Lithuanian police force, based in Vilnius.

Miškinis, Gediminas: Director of Macro-Economics, Economics Ministry, Vilnius.

Olivoviene, Vera: President of the Conservative Women's Association of Lithuania, headquartered in the *Seimas*, Vilnius.

Peart, Michael, L.V.O.: British Ambassador to Lithuania, 1991-1994. He showed considerable awareness and understanding of the situation in Lithuania during the first years of independence.

Reklaitis, Vytautas: Professor of Computing at Kaunas Technological University. He was one of the first Lithuanians to travel to the West on a frequent basis and works with Manchester University on developing computer programmes.

Reklaityte, Asta: Economist in Kaunas. Member of the Deportees' Association and of the Children of Lithuanian Officers. Along with most of her family, she was deported to Siberia in 1941.



Rutkauskaite, Galė: A doctor (paediatrician) who, after her mother was deported in 1941, was born and educated in Siberia by her mother and Russian father. After Lithuania declared the restitution of her independence, she moved to Lithuania, despite having no knowledge of the language, and settled in Kaunas, where the roots of her family originated.

Rutkauskiene, Zanutė: Niece of the former chancellor of Lithuania in the inter-war years. She was deported to Siberia in 1941 for a 20-year period and is currently struggling to regain some of her properties around Lithuania which were confiscated by the Soviet occupying forces.

Saudargas, Algirdas: A bio-physicist by profession, he chaired the Political Commission of Sajūdis from 1989-1990, when he was elected to the Supreme Council of Lithuania. He first served as minister of foreign affairs from 1990 to 1992 and was appointed for a second term in December 1996, after the victory of the Christian Democratic Party, of which he is chairman.

Šeduikienė, Aldutė: Deputy of Palanga Council. She was widowed after her husband was frequently imprisoned for his religious beliefs, which she shares, and she applies these beliefs in her political life: campaigning for a return to “old-fashioned” moral, Christian values.

Stankevičius, Česlovas: Member of the *Seimas*, 1990-. Leader of the negotiations on the withdrawal of the Soviet/Russian troops from Lithuanian territory.

Steponavičienė, Elenutė: Persecuted by the Soviet authorities during the Occupation, she failed to escape to the West with her family and now lives in Palanga, where she is one of the respected elders of the town.

Vaitekunas, Stasys: Rector of Klaipėda University.

Vilkas, Eduardas: Chairman of the Privatisation Commission, Member of the *Seimas*, 1990-1992.

Fr. Vincentas: An elderly priest in Vienkšniai. Heavily persecuted by the Soviet authorities during the occupation, he survived and continues to preach in the Šiauliai region.

Žukauskienė, Irena: Teacher of English in Šiauliai. She was the first Rotary Scholar from Lithuania to visit St. Andrews University in 1994.



## **In the United Kingdom:**

Alkis, Jaras: Head of the Lithuanian Association of Great Britain and a vociferous campaigner for the restitution of Lithuania's independence.

Balickas, Vincas: Deputy minister of the Lithuanian Legation in London, prior to the Soviet occupation. He remained in Britain, residing in the former legation building. He was finally accredited as ambassador in 1992, but was retired in 1994 and died in December 1996.

Barber, Tony: Eastern European Editor, *The Independent*.

Barker, Captain Bill: Director of the Port of London Authority.

Bashford, Graham: Foreign and Commonwealth Office, Know-How Fund Desk.

Beaver, Paul: Editor, *Jane's Sentinel: Central Europe and the Baltic States* and a specialist in security and defence issues in the region.

Bod, Peter: Former trade and industry minister in Hungary, 1992-1994. Currently working at the European Bank for Reconstruction and Development and examining the influence of economic reform on electoral patterns in central and eastern Europe.

Boulton, Leyla: Moscow correspondent, *The Financial Times*.

Boulton, Ralph: Moscow correspondent, *Reuters*.

Brazauskaite, Jone: Fleeing Lithuania in 1944, she eventually settled in the UK in 1969 and became one of the chief spokeswomen for Lithuania in the UK. She was a BBC monitor for Lithuania at Caversham Park in the 1980s and has interpreted, both for visiting Lithuanians and the British government, since 1990. With her family, Brazauskaite was responsible for ensuring that events in Lithuania received widespread media coverage in the West and advised Lithuania's trainee diplomats on the re-establishment of the Ministry of Foreign Affairs. She worked at the embassy in London after the restitution of independence and remains as a private adviser to embassy personnel. She is currently struggling to reclaim some of her parents' property in Lithuania and to encourage further investment in Lithuania by British companies.

Bridge, Adrian: Correspondent, *The Independent*.

Brimacombe, John: A director of Rothschild & Sons, specialising in assistance to



the Baltic States.

Brown, Ben: Correspondent for BBC television, he covered the events in Vilnius in January 1991 as the Soviet forces attacked Lithuanian demonstrators.

Burton, Paul: Director, Landell Mills, a consultancy group in Bath specialising in the restructuring of Lithuania's agricultural sector.

Čiubrinskas, Vytis: Professor of Social History at Vilnius University.

Clark, Bruce: Former diplomatic editor, *The Financial Times*. He has spent a great amount of time in the former USSR and is the author of *An Empire's New Clothes*, a book about Russia since the collapse of the USSR.

Cradock, Sir Percy: former head of the Joint Intelligence Committee in the UK. He advised Lithuanian ministers and diplomats in the early years of Lithuania's newly-restored independence.

Daniels, Jack: St. Andrews University. He established the first Rotary Scholarship for Lithuanians in Scotland in 1994.

Fischer, Brigadier General Eckhart: Former defence and military attache, German Embassy, London. He supervised the German training programmes for Baltic forces.

Giejgo, Helen: Holder of the Medal of the Order of Grand Duke Gediminas for fostering relations between Scotland and Lithuania.

Goddard, R.S.: Secretary, Henley Royal Regatta. He assisted the Lithuanian rowers in finding equipment and re-entering international competition.

Gooderhan, Peter: Deputy head of the security department of the Foreign and Commonwealth Office.

Harris, Anthony L.V.O., C.M.G.: Former ambassador to the United Arab Emirates, but has an interest in Lithuanian affairs and advised Lithuania's trainee diplomats.

Hart, David: Former special adviser to the UK secretary of state for defence, he supplied the Lithuanian Ministry of Defence with its office equipment after the restitution of independence and was awarded the Medal of the Order of Gediminas in 1993.

Hindle, Richard: European Union PHARE Programme SME adviser.



Hugau, Anita, Minister of the Danish Embassy, London, with a keen interest in Lithuanian affairs.

Ives, Algis: Board member of the Lithuanian Association of Great Britain.

Jeziorski, Andrzej: Formerly a correspondent for *The Baltic Independent* and *The Baltic Observer*, he spent two years in Latvia after the restitution of independence. He now writes for *Flight International*, specialising in the expansion of air traffic in the former USSR.

Kendall, Bridget: Currently diplomatic editor of BBC television, as correspondent for BBC World Service, she covered the events in Vilnius in January 1991.

Kilroy-Silk, Robert: Former member of Parliament, turned television presenter and supporter of Lithuania. He devoted his programme on 15 January 1991 to a discussion on events in Lithuania with Jaras Alkis (*qv*), Jonė Brazauskaite (*qv*) and Romas Kinka (*qv*).

Kinka, Romas: Head of the Anglo-Baltic Consultancy service. A leading campaigner for Lithuanian independence. Spokesman for President Landsbergis and Sajūdis, 1990-1992. He still plays an active role in Lithuanian political affairs and works closely with Landsbergis.

Lacey, Robert: Chairman of the British-Lithuanian Society.

Lorenz, Andrew: Business editor, *The Sunday Times*.

Maddock, Nick: European Union PHARE Programme PIP adviser.

Misevičius, Algis: First secretary, Embassy of Lithuania in the UK.

Nesavas, Antanas: Charge d'affaires, Embassy of Lithuania in the UK, 1992-1994. He had spent many years during the Soviet occupation of Lithuania at the Humboldt University of the then East Berlin. When he failed to be appointed ambassador upon the retirement of Balickas (*qv*), he disappeared from Britain overnight, reappearing in Vilnius four months later. He remained in the Ministry of Foreign Affairs and was posted to Georgia, where he died in an alcohol-related road accident in January 1995.

Paleckiene, Laime: Married to Justas Paleckis (*qv*), a teacher of German literature.

Paleckis, Justas: Ambassador of Lithuania to the UK 1996-. Formerly a member of the Foreign Affairs Directorate of the CPSU, then ideology chief of the



Communist Party of Lithuania. A personal aide to President Brazauskas (*qv*).

Peacock, Nigel: Director of Landell Mills, a consultancy group in Bath working with the European Union PHARE programme on the regeneration of Lithuania's agricultural sector.

Petrikas, Erikas: Attache, Embassy of Lithuania in the UK.

Rejackas, Raimundas: Former adviser to President Brazauskas (*qv*), he was ambassador to the UK between 1994 and 1996. In the 1996 elections, he abandoned the LDLP and stood on a Conservative platform as a protest against the growth of corruption in the governing party and was elected to the *Seimas*.

Robinson, Anthony: Russian correspondent, *The Financial Times*. On 8 March 1990 he was granted a private interview with Algimantis Čekuolis (*qv*) at the Reform Club in London, during the course of which Čekuolis announced that on 11 March 1990, the Lithuanian Supreme Soviet would declare the restitution of Lithuania's independence.

Sabaliunas, Imsrė: Head of Chancery, Embassy of Lithuania in the UK. She was one of the few Lithuanian-Americans to take Lithuanian citizenship and move to Lithuania, although she was born in the USA. Untainted with the mentality of *homo sovieticus*, she was an invaluable asset to the Ministry of Foreign Affairs.

Salmon, Trevor: Professor of International Relations at Aberdeen University, formerly of St. Andrews University. A specialist in the European Union and its expansion.

Sinnerton, Bill: European Union PHARE Programme investment promotion adviser.

Solon, Daniel: American consultant to Baltic International Airlines, based in Latvia.

Tamosiunas, Klemensas: Board Member of the Lithuanian Association of Great Britain.

Unwin, Sir Brian: Former head of customs and excise in the UK. He advised the Lithuanian Ministry of Foreign Affairs on customs regulations following the restitution of independence.

Varkala, Petras: Former agricultural attache of the Lithuanian Legation in London in the inter-war years. A spokesman for Lithuania during the period of occupation, he remains a private adviser to embassy personnel in London.



Varkaliene, Melita: Married to Petras Varkala (*qv*). She fled Lithuania in 1944, but prior to that had lived in the Klaipeda region and witnessed its seizure by Hitler in 1939.

Wooler, Major Leslie: Co-founder and director, Friendship Link.

Zandosky-Roddy, Paul: Active member of the Latvian community of Great Britain and campaigner for Baltic independence until his death in November 1993.

### **In the United States of America:**

Ashbourne, E.J.: Country manager for the United States' Agency for International Development and PIET.

Bryan, James: Director, the Bryan Group, working in partnership with the Lithuanian textile company Audejas.

Zailskis, Arunas: Director of the Lithuanian Research and Study Centre in Chicago.

### **In Germany:**

Skudra, Ojars, University of Latvia: Visiting Professor of Politics at Munich University, November 1996.

### **Elsewhere:**

Kydd, David: Head of public affairs, International Atomic Energy Agency, Vienna.

Lozoraitis, Stasys: Leader of Lithuania's government in exile until international recognition in September 1991, a mantle he assumed upon the death of his father, former Foreign Minister Stasys Lozoraitis. He was officially accredited as ambassador to the Holy See, but after the restitution of independence, became ambassador to the USA. In 1993 he challenged Brazauskas for the presidency, but was heavily defeated. He died in July 1994.



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